FREE WORLD

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devoted to

Democracy and World Affairs

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WORDS in REMOTE CAFÉ

I tell you, John, it is the peace I fear . . .
I suffer now the wars of men who die;
Feel sad comfort that the issue at least is clear,
For war is truth. . . . The peace may lie.

Do we understand what it is for a sun to burst
A coin-toss from our faces, that terrible bright
Instant before self, soul, gun, insignia go dispersed
In a thousand nothings? . . . No, John, that monstrous sight
Is for the young. We can neither strike nor love,
Be struck nor loved as youth can. Our hands grow numb
To sharp punctilios. Among papers and propositions we shove
About: Old men living in the past and in times to come.

I tell you, John, the thing to fear is the peace,
The peace of slain men's deep sown progeny . . .
Do you not know the slain have sown their increase
Profoundly quick for harvest they will never see?

Do you not fear the peace, John? Do you not
Fear the times to come here, the times to come abroad?
Have you forgot the little willful men? Have you forgot
The liaison of surety and fraud?

It is the peace I fear, John . . . I fear
Our chastened divine-rightists again will turn about,
Drop their borrowed sackcloth, shirts of hair;
And time will echo theft to promissory shout.

Le Garde S. Doughty

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EDITORIAL

MR. EDEN'S presence in the United States to discuss some of the preliminary steps toward the effective organization of the United Nations is most fortunate, and we are indeed glad to welcome him. Anthony Eden is particularly well fitted to undertake this task because for many years he has understood and advocated one of the main principles without which world organization can never exist, namely, the principle of collective security.

In the tragic thirties, when the Governments of France and Great Britain increasingly replaced the policy of resistance to aggression by a policy of appeasement, Mr. Eden took a firm stand in opposition to this suicidal course. Finally, at the beginning of 1938, when he saw the whole edifice of security crumbling, he had the courage to resign from the Government and to brave the unpopularity of the "realists" in the London and Paris Cabinets. He knew that the Munich policy would yield only those few months of peace which were necessary for Hitler to muster his full strength for an all-out attack against the Democracies.

Moreover, Mr. Eden was one of the first statesmen to recognize the vital importance of having Soviet Russia fully associated in the conduct of the war and in the future reconstruction of Europe. He has succeeded in winning the confidence of the Soviet leaders, and this should be extremely useful in his present task. When war came, Mr. Eden quite naturally was called to resume his place in the direction of the foreign policy of Great Britain. He has done so with courage and farsightedness at one of the most difficult moments in the history not only of his country but of all humanity, and he has been markedly successful in re-establishing the position of Great Britain.

Today, he represents England in the preliminary negotiations with the United States, which must be extended immediately to Soviet Russia and to China and, as soon as possible, to all the other members of the United Nations in order to achieve the desired results. For the concept of equality among peoples which is basic in the philosophy of the United Nations must be implemented from the very outset by the inclusion of every people in the task of organizing a democratic world order. Thirty member states of the United Nations have now accepted the Atlantic Charter, and they are thereby entitled to participate fully in the most vital development of international relations. It is now necessary to pass from Anglo-American initiative to United Nations initiative.

An imperative condition for success is speed. Nothing has weakened the Democracies so much in the past as their slowness in action, their hesitations, and their indecision. No reason can now be offered for delay. From the moment that the creation of the United Nations was greeted with enthusiastic approval, the idea of world organization, and even of a world govern-

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ment, has won popular support—in this country no less than in England, in Russia, in China, and in the occupied countries, where the Underground has adopted the ideal of the United Nations as its basic principle in the heroic struggle against the Axis regimes and their puppets.

In the United States, the idea of world organization has cut across party lines and sectional divisions. Leaders of both major parties have expressed themselves in favor of a permanent United Nations organization and spokesmen of the Middle West are advocating even more far-reaching proposals than any enunciated in the East. A symptom of this nonpartisan support is seen in the resolution on international co-operation which has been presented in the Senate by both Democratic and Republican members. The action of Senators Ball and Burton, Hatch and Hill should receive every encouragement from their colleagues, provided it is clearly understood that the initiative for action toward the formation of a world organization must remain with the President where, under the Constitution, it properly belongs and where, we are confident, it will be both wisely and boldly developed.

At the same time, it is necessary to recognize that there are political forces which are doing everything possible to prevent the effective organization of a United Nations. These isolationist elements are so powerful and so articulate that they are able to create a false impression both in this country and abroad. The fact is that they have no popular support. The American people as a whole are determined today not to permit a repetition of the tragic mistakes which followed the last war and equally determined to establish a United Nations organization which will end once and for all the threat of another world conflict.

We are convinced that as soon as the statesmen of the United Nations take the necessary measures to set up a Supreme Council as the preliminary step to world organization, we shall hear a universal expression of approval in which the voice of America will be as loud and as firm as that of every other people on the face of the globe.

French Unity

WE are indeed very glad that the intolerable retention of Vichy legislation under the United Nations banner in North Africa has ceased. The abolition of that legislation opens the way for the re-establishment of the principles and the constitution of the Third Republic, the only authoritative expression of the sovereign will of the French nation. It also opens the way to the re-establishment of French unity. But that unity can become a reality only when all the laws of the Republic and the freedoms they assure are fully restored, and when the fascist and pro-fascist elements are removed from the commanding positions which they are still holding.

This unity cannot be a *union nationale à sens unique,* as proposed in the past by the reactionary groups of France which always wanted to control it. It must be a union in democracy and around democratic principles and leaders. General de Gaulle and the Fighting France National Committee have proposed such a union, and we hope that General Giraud, realizing

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there is no compromise possible between reactionary fascist concepts and the great democratic tradition of the French Republic, will accept this proposal.

There is an interesting lesson in this situation which ought to be learned by heart. How many times have we heard that it would be impossible to abolish the Vichy regime in North Africa immediately, that the allegiance to Petain was so great that it had to be taken into account as a most important political factor, and that the war effort of the United Nations would be endangered if the racial prejudices of the Arabs were not appeased? And now we see that all those developments have not brought about any of the predicted catastrophes. Darlan has died; Bergeret has gone; and many other Fascists are on the move. Giraud has made a speech in which he has not mentioned Petain even once, and he has proclaimed the abolition of all Vichy legislation. Those here who listened to his speech over the radio will remember how enthusiastically the audience in Algiers applauded when he announced these measures. No civil war has broken out back of the United Nations lines, and the Arabs have not revolted because the racial laws were abolished. Those threats of disorder were either utter nonsense or deliberate misrepresentation, and the events in North Africa must be remembered when the time comes in Europe to re-establish democracy which alone can give peace and order and satisfaction to the people.

The unity of France is on the march. It has been most completely realized in the Underground movements, among the guerrillas and the partisans, where the labor and democratic elements lead without dominating. The union of those who are outside of France cannot be anything but the reflection of the political aspirations of all the French people which are summed up in the ancient and glorious slogan—*liberté, égalité, fraternité.*

The Closed Frontier

A NEW chapter is being written in the history of the heroic fight against the Axis powers and the hideous Vichy puppets. This chapter is written by tens of thousands of French workers, organized in partisan groups and guerrilla bands, who are destroying troop trains, munition depots, and factories. They are the advance units of the popular army which will rise to join the United Nations invasion forces that are awaited so impatiently.

Thousands of young men, particularly from the Savoy region, have now taken to the mountains and the forests in order to escape enslavement in Germany. Many of them have received arms, and are determined to fight as long as they can hold out; others merely seek to escape across the narrow waters of Lac Leman or across the mountain trails to that erstwhile haven of refuge—Switzerland. On the beautiful mountain of Saleves which those who lived in Geneva know so well, and where gay people once crossed the frontiers, there is now a man hunt, unique in the history of France.

For the shameless Petain and that archtraitor Laval have now reached the nadir of degradation. They have become the kennelmen of Hitler and Mussolini. Their guards and their police have joined German and Italian mili-

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tary forces in searching the mountainside and its forests and its huts for more victims of Hitler's oppression. But men do succeed in escaping this man hunt. They actually reach the Swiss frontier. And it is there that they receive the most cruel blow. For the Swiss have suddenly become very strict in defining the term "political refugee." Switzerland has strangely decided that men who are rebelling against the odious regime of Vichy and the foreign yoke, who are risking their very lives in order not to help the nazi war machine, are not political refugees.

This narrow interpretation which fails to recognize that men and women who refuse to serve the Axis automatically become its political opponents, will result in the loss of hundreds, perhaps thousands of lives. Switzerland has no moral right—she has no legal right in the light of those very principles on which the Swiss constitution is founded—to close her borders to these poor, persecuted men and to drive them back to certain slavery and death. One day Switzerland, like every other country, will have to answer for her attitude during this war. In a devastated Europe where thousands are dying every day, even one man counts; each single life is precious for the future. Now it is more important than ever that the Swiss live up to their noble tradition as a refuge for the oppressed.

Switzerland has succeeded in maintaining her neutrality, and—thanks to the United Nations—her neutrality today is probably less in danger than at any previous time. She knows, too, that if Hitler had the required power, or if it were in his interest to invade Switzerland, he would do it—whether or not refugees are being permitted to cross the border. The Swiss need not fear. They must act humanely and wisely. They must permit the International Red Cross and the numerous refugee organizations in Geneva to save those who can be saved.

The Nine Freedoms

WHEN the hue and cry of partisan politicians, selfish interests, and temperamental reactionaries have died down, the findings and recommendations of the National Resources Planning Board, submitted by the President to Congress, will be recognized for what they are —a sound program of social legislation which is in keeping with the spirit of the times, provides for the minimum needs of the underprivileged third of the nation, and is in accord with the expressed desire of the vast majority of the American people who elected both the President and the Congress.

We who were among the first to recognize the tremendous importance of the Nine Freedoms on which this program is based, feel confident that public opinion will eventually make itself sufficiently clear to bring about its adoption—to the credit of Congress and to the lasting benefit of the American people. Meanwhile, to those who would oppose this "American Beveridge Plan" in the name of free enterprise we recommend the facts presented in the economic articles of this issue which show that the inevitable and irresistible development of economic and social forces has so affected free enterprise as to alter its meaning as a slogan and its status as an institution.

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SOME PROBLEMS *of the* POST-WAR WORLD

by

Bertrand Russell

IN considering the problems of the post-war world, there are two questions which it is well to separate: First, what do we desire? Second, how much of what we desire has any considerable chance of being realized? The first is the simpler question, and I shall deal with it first.

We all hope that, when this war is over, some way will be found of preventing the occurrence of another great war for a long period of time. It is obvious that, if civilization is to survive, we cannot do with a world war every twenty-five years. At the same time, there are some evils which we judge to be even worse than war; we do not choose to secure peace by submission to Hitler. The problem is to find a way of securing world peace without sacrificing anything that reasonable people think worth fighting for.

"Liberty" is a good watchword, but is not sufficient as an international principle. There should be liberty to do certain kinds of things, but not certain other kinds. Primarily, there should be no liberty to make aggressive war. It is obvious that this requires some supernational authority with a preponderance of armed force and with a judicial body entrusted with the duty of pronouncing quickly whether, in a given case, aggression has taken place. It requires that most of the great powers shall be opposed to aggression, and shall be willing to punish it even when they are not directly concerned. All this could, at least for a time, be achieved without any formal or legal constitution, by a prolongation of the alliance of the United Nations, with the admission, gradually, of such other nations as agreed with their aims. But in the long run something more explicit would become necessary.

If peace is to be secure, formal provisions against aggression, however necessary, will not be sufficient. There must be a diminution of the motives for aggression. This would require various changes.

1. Colonial territory, not ready for self-government, should be internationalized. This applies especially to Africa. The private imperialisms of England, France, Belgium, and Portugal are out-of-date, and an encouragement to aggression on the part of countries which, like Germany, have no colonial possessions. The suggestion that the territories governed by white men in Africa should be given complete self-government at once is one that can only be advocated by a theorist with no sense of reality. No doubt ultimate self-government should be the goal, and everything should be done to make it feasible as soon as possible; but in the meantime, joint administration by the civilized nations seems the nearest practicable approach to justice.

2. There should be free access for all to every important raw material. No government should have power to hinder foreign nationals from freely buying whatever a region produces. In the internationally administered colonial areas, there should be no favored nation as regards the investment of capital.

3. Certain places of great strategic im-

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portance, such as the Suez and Panama Canals, Gibraltar, and Singapore, should belong directly to the international authority, which should garrison and maintain them. Perhaps the Bosphorus and Dardanelles should be included in this provision.

I come now to two matters that are more delicate, since they concern, *prima facie*, the internal affairs of a nation rather than its international relations. The original international authority should consist of the United States, The British Commonwealth (i.e. Great Britain and the self-governing Dominions), the U.S.S.R., and China. They should form an alliance to which, from time to time, they could invite other States to adhere. One condition of adherence should be that the State in question either is a democracy or has a constitution accepted by a majority of its citizens in a plebiscite conducted by the Alliance; another should be that it does not contain any considerable geographically concentrated group which would prefer to be independent of it. These conditions having been fulfilled, and the State in question admitted to membership by the Alliance, its constitution should not thereafter be changed by force. It could, however, be changed by a plebiscite conducted by the Alliance, and such a plebiscite should be held whenever a sufficient demand for it had been proved, or, in any case, at periodical intervals, say every twenty-five years.

The reasons for this provision are two. First, civil wars may easily become international wars. This would have happened in the case of the Spanish Civil War, but for the extreme policy of appeasement that prevailed in England and France. It might easily happen in a civil war between Communists and democrats, such as might break out in various countries after the end of the present war. The prevention of civil war is therefore an essential part of the prevention of international war.

The second reason is that governments imposed by force, like those of Mussolini, Hitler, and Franco, are likely to be dangerously illiberal and nationalistic, and, since they owe their existence to internal lawlessness, they are not likely to have much respect for law in the relations between nations. It is only by means of respect for law that wars can be permanently prevented; it is, therefore, undesirable that governments should consist of lawbreakers. Legal means of changing a constitution must exist, and be not too difficult; but illegal means must, when attempted, incur the active displeasure of the international authority.

Still more questionable, from a conventional standpoint, is a second influence which I shall advocate in the internal affairs of certain nations. Where a nation has proved itself aggressive (this applies especially to the Axis Powers), it should be compelled to have a system of education designed to curb excessive nationalism. Those who have been educated in Germany during the past ten years have been unfitted, perhaps permanently, for every kind of international co-operation except that of master and slave. Where the national system of education glorifies wars of conquest and teaches contempt for the rights of other nations, it must be regarded as part of the preparation for aggression, just as much as the manufacture of tanks or airplanes in defiance of international agreements. I hold, therefore, that any nation admitted to the Alliance should be obliged to adhere to certain educational principles and to allow international inspectors to see that these principles are carried out. There are obvious practical difficulties, which, however, I believe to be not insuperable; but for reasons of space I will not discuss them here.

II

THERE should be important advantages in belonging to the Alliance. In the first place, protection against attack, for an attack on any member of the Alliance should be treated as an attack on the whole. There should also be economic advantages. The colonial regions would be available to members of the Alliance and to them only. There should be lower tariffs for goods passing from one country of the Alliance to another than for goods imported from outside the Alliance. In all such matters as loans, members of the Alliance should receive preferential treatment. The result would be that most nations would be anxious to qualify for membership. Member-

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ship should be a privilege, and there should be no undue haste to make it world-wide. Given victory in the war, and continued co-operation among the present United Nations, the Alliance would, at least at first, be strong enough to prevent war. It could, therefore, impose in the interests of continued peace whatever conditions of membership seemed desirable to that end.

All this could be accomplished if the statesmen of the United Nations (including the United States Senate) considered it desirable. I have little doubt that it will be accomplished after two or three more world wars, for in the end people will get so tired of fighting that they will think a few minutes' thought less unpleasant than several years of war. But I hardly think they have reached that point yet. What I *expect* at the end of this war falls very far short of what I *desire*.

The practical obstacles are very grave. In the most powerful nations, the main obstacles are isolationism and pride of sovereignty. By "isolationism" I mean unwillingness to intervene in a dispute unless it quite obviously affects national interests. It is typified by Chamberlain's remark that Czechslovakia was a long way off. Litvinov's dictum, "Peace is indivisible," is one the truth of which nations learn slowly. The sheep that sees a wolf eating another sheep is thankful not to be the victim, and does not think of making a common front against wolves. In the case of nations, this attitude is backed up by collective conceit; each nation thinks that, while others may be sheep, itself is a lion, whom no wolf would dare to attack. The coming of the present war was obvious at least since 1933, but both in England and in America there was a futile hope of being able to preserve neutrality. Any war nowadays is sure to involve almost everybody; therefore, the only way to keep your own country at peace is to keep all countries at peace. But this is a hard lesson to learn.

We shall not get international government until governments of all countries, and a considerable section of the citizens in the leading Democracies, have become persuaded that the constant exercise of police power in every part of the world is the only way by which any important country can keep out of war. Until this is understood, the natural desire to relax after the effort of war will cause people to accept easy solutions and to fancy that nothing is needed beyond the temporary punishment of the defeated nations. The mood of America after the last war may well be its mood after the present one, and if so, the work will all have to be done again before long.

Pride of sovereignty is an even graver obstacle. It is difficult to imagine America or Great Britain or Russia going to war in obedience to a majority decision of an international council, unless there were a strong national feeling on the side of the decision. But there can be no international authority without a limitation of national sovereignty. On this ground, I think the best that can be hoped is a prolongation of the present Alliance, involving only such obligations as diplomatists are accustomed to undertake toward allies. This, I think, is probable for a few years after the end of the war, but there are weighty reasons for doubting its permanence.

It is obvious that the two greatest powers at the end of the war will be the United States and the U.S.S.R. Great Britain will have to attach itself closely to one or the other, probably the United States. But if all danger from Germany and Japan were at an end, is it to be supposed that there would be very hearty co-operation between Russia and the English-speaking world? Already, in spite of the urgent needs of the war, there is friction as to the policy to be pursued in Yugoslavia and in North Africa. At the end of the war, very difficult problems will arise. What is to be the extent of Russia's influence in the Balkans and in Poland? If a large section in Germany wishes to establish communism, will Stalin, Churchill, and Roosevelt find it quite easy to agree on a policy? At the end of the last war, Russia was a defeated country torn by civil war, and at Versailles its wishes could be ignored; this time it will be different.

The victory this time will not be simply an Anglo-American victory. There will be not only Russia, but behind Russia there will be Asia. To fit Asia into any such international framework as America and England might desire will be difficult, if not impossible. I assume that India will be free, probably with some form of Pakistan. Hindu India will wish to co-operate with

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the Chinese; Mohammedan India will wish to collaborate with its more western co-religionists. Neither party will wish to have any pact with white men, whether European or American. Toward white men, the mood will be one of strict isolationism.

Ever since the sixteenth century, the arrogance of white men has irritated Asia. The Japanese, for two hundred and fifty years, refused to admit any white man except a few Dutchmen; other Asiatic countries might have wished to do likewise, but were not strong enough. The Russo-Japanese War gave satisfaction to Asia as a proof that the supremacy of Europeans could be challenged. Assuming Japan defeated in the present war, the victory will not be purely Western; a great part of the credit will go to China, which resisted Japan for years without outside help. India, whatever British Tories may hope, will not be satisfied with Dominion status, since every Indian nationalist feels that his country has more affinity with other Asiatic countries than with the English-speaking world. If—as is not unlikely—various federations are formed, India will want to belong, not to the British Federation, but to the East-Asian Federation. I neither hope nor expect that it will be possible to thwart India's wishes in this respect. Only a handful of reactionaries in England have any wish to coerce India after the end of the war.

It is, however, of importance to the world, as well as to India, to find a peaceful solution of the Hindu-Moslem conflict. A civil war between Hindus and Moslems might easily become a world war, setting western against eastern Asia, and ultimately the U.S.S.R. against Great Britain. It should be part of the peace settlement to guard against such a catastrophe by insisting upon agreement among Indian political parties and guaranteeing any agreed constitution against lawless attempts to upset it by force. To any such guarantee Russia and China must be parties.

Asia may be expected, henceforth, to demand more complete equality than heretofore. It will require considerable tact and liberality if this demand is not to lead to a general hostility of Asiatics toward Europeans and Americans. They have certain large grievances. India, China, and Japan are over-populated and desperately poor; at the same time, they are severely restricted as to emigration, particularly to Australia and the United States. Neither Australia nor the United States is likely to alter its policy in this respect. But India and China are likely to increase their strength by industrialization, and sooner or later Japan will be allowed to revive. I wish I could believe that we of the West shall adapt ourselves to this changed situation quickly enough to prevent a very dangerous division of the world into two hostile camps. This is, in my opinion, the greatest danger to world peace in the coming half-century. It is also a grave obstacle to the establishment of any effective supernational authority at the close of the war, since any such authority would probably seem to India and China a mere device for prolonging white supremacy.

III

THERE are two opposite forces that tend to produce great wars, On the one hand, there is the overweening ambition of the strong; on the other hand, there is the discontent of the less fortunate nations. Japan comes under both heads. At first, after Commodore Perry's expedition, white men treated Japan as they treated China. But the Japanese soon managed to assert themselves, and having made the effort necessary to safeguard their independence, proceeded, as vigorous nations habitually do, to conquer others and inflict the evils which they had averted from themselves. This is the usual source of imperialism. British imperialism arose out of the struggle against Spain; German imperialism arose out of the struggle against Napoleon. Unless some method is found of curbing victors, there can be no end to this succession of nations seeking first liberty for themselves and then slavery for others. In the present war, there will be not one victor, but four. This diminishes the danger of imperialism; it makes the immediate task of adjustment more difficult, but gives more hope of a settlement leaving no one power unduly preponderant. Given wise statesmanship, there is considerable hope that the imperialism of the strong may be kept in check.

The discontent of the weak, however, will present very difficult problems. There

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will be, of course, to begin with, the defeated nations. The world will not be tolerably secure until Germany and Japan have some measure of contentment without any chance of conquest, and this will probably require a generation of re-education. But there is another problem which will be more immediate, namely, what to do with the nations that Germany has conquered. Poland—to take the worst case—has been made to suffer appallingly, and is, presumably, filled with a passionate and vindictive hatred of the Germans. However deeply we may sympathize with Poland and however natural may be the vindictive feelings of Poles, it would be unwise to allow our sympathies to hurry us into unstatesmanlike acts of revenge. Some Poles, for instance, urge that East Prussia, a purely German region, should be given to Poland. This would merely reproduce on a larger scale the troubles at Danzig which precipitated the present war. There will be troubles also in the Balkans; the Yugoslavs will probably wish to be rewarded at the expense of the Hungarians and Bulgarians, and so on. In the Balkans the liberal principle of self-determination satisfies no one. There will have to be an imposed territorial settlement, with severity toward all who try to upset it. But the settlement itself should be as nearly just as the complicated racial situation allows.

Some principles which ought to be applied universally can, perhaps, be applied to the smaller nations. Small states, as the course of the war has shown, can only survive through the protection of great states, and in return for such protection the small states should be required to accept certain obligations. They must accept whatever territorial settlement is arrived at, although, whatever it may be, each Balkan state will think it unfair to itself. They must be compelled, for certain purposes (especially tariffs), to unite in a federation with their neighbors. What is more difficult, they must be required, when the international authority judges it necessary, to accept the protection of a foreign garrison which should not be drawn from only one nation. We cannot risk again the piecemeal conquest of one small nation after another, while those who wish to save them from conquest are compelled to look on helplessly.

In conclusion: while there is not much hope of a settlement at the end of the war which will deal radically with the problem of future wars, there is some hope of a settlement which will prevent another large war for a considerable period of time. Much may be done to solve the problem of private imperialisms and the problem of small independent nations. There is every reason to expect that the settlement will do justice to Asia, and more particularly to India, by removing all outside control except possibly such control by an international authority as ought to exist everywhere. These hopes I believe to be not Utopian, and if realized, they will be the beginning of a new system through which the peace may gradually become secure.

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The Concrete Form of Peace

by

Robert P. Skinner

IT is a cheering sign of the times that our world builders are busier than ever planning a perfect universal state which, alas, must of necessity be constructed of very imperfect materials. The strange fact in conection with these ambitious projects is that not one of them suggests the concrete form through which the desirable ends are to be attained.

Mr. Hoover tells us about "dynamic forces" and "a superstructure of international co-operation to preserve peace," but his only tangible approach to it is his strong objection to the dismemberment of Germany, and his belief that there must be no armistice but "an instant provisional peace agreement" which, to the reflective mind, seems only an armistice with another name. John G. Winant, our Ambassador in London, declares with ponderous solemnity that there must be "a lasting and just peace" (to which all cry "Amen!") and makes the confident prediction: "Nor shall we tolerate large scale unemployment, malnutrition, and bad housing, which are the feeding grounds on which fascist movements flourish." Perhaps. But it may prove easier for us to deal with these several problems at home than in Persia or Patagonia Mrs. Roosevelt hopes that "we have learned the lesson that isolation no longer exists" and adds dreamily that present economic forces have been satisfactory to some and "to many others they have been very unsatisfactory." "I do not know what the New Order will be," she continues, "but we must accept the fact that whatever the price, we'll pay it." The fog becomes thicker and thicker. Mr. Streit at least knows what he wants. It is to be "Union Now," and he plays with the idea that the nations which are to be gathered into his "Union Now" will accept his suggestion that representation in his parliament shall be in proportion to population, thus conveniently giving us a preponderance of votes. Thomas Mann believes that "We always have to deal consciously or unconsciously with world unity," whatever that means, and shouts almost triumphantly, "the idea of the Kingdom of the Earth, the City of Man, has been born and will not rest until it has assumed reality." But how? "Historians must study the new possibilities of action," so Alfred North Whitehead tells us, "and scientists must learn the old checkered history of human emotion passing into large scale social activities." Cloudy. George Santayana declares that the statesman's problem is one of "giving normative value to certain normal things." What things? He continues, "people by now have the need of something so miraculous that practical reason and worldly wisdom would vanish on it like a

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drop of water on red-hot iron. Only friendship and simplicity can be as marvelous as that. Of course, not the Rotarian variety!"

One may be permitted to speculate on what would happen, when the generals and admirals who will meet eventually at a conference table to draft what Mr. Hoover calls "an instant provisional peace agreement," if their only directives were those contained in the well-meaning ideas just quoted. As it happens, when they do meet, their ethical notions are less likely to dwell upon the City of Man than upon how to preserve order in a distracted world until the statesmen can devise something better than an armistice. Their armies and navies, as Walter Lippmann has frequently reminded us, will be scattered here and there in now unknowable situations, and it will be much if they can maintain order until the exiled governments return and begin to function and France is restored somehow, and if they can also prevent the infuriated Germans, Italians, and a few others from rending their present masters. It may take not months but years, years of occupancy of strategic points, before conditions will become ripe for definite world reconstruction. In the meantime, as distinguished from political cobwebs, we have two highly important documents to turn our minds into channels which will lead us to certain conclusions.

The first of these documents is the Atlantic Charter. Compressed into a few words the Charter offers the following program:

> No territorial aggrandizement.
> Self-determination of nations.
> Access of all to raw materials on equal terms.
> Collaboration to secure improved labor conditions and social security.
> A peace that will afford to all nations safety within their frontiers.
> Freedom of the seas.
> Disarmament.

The second of these two documents is the Anglo-Russian Treaty of May 26, 1942. This treaty is immensely important since it commits the two powers to the principle of no self-aggrandizement (Estonia, Latvia, Lithuania, Poland, Finland) and contains a pledge of non-interference in the internal affairs of all states. Cutting loose from idealistic conceptions of recent years, this treaty, furthermore, provides for mutual support in the war against Germany and her associates "in acts of aggression *in Europe.*" The two parties engage themselves for twenty years, and after until notice of termination of the treaty is given, to give each other "all military and other support and assistance" should Germany again become dangerous, this guarantee of support to be effective until the contracting powers have united "with like-minded states in adopting proposals for common action to preserve peace and resist aggressions in the post-war period." Power politics? Yes, certainly. But what else will work?

The obvious meaning of the two texts is that on the conclusion of the present war Germany shall be dealt with as a special case and that the rest of Europe shall revert to its pre-war status. And, while the Anglo-Russian treaty is limited to Europe, it is only reasonable to assume that Japan also will be held to account like Germany and that all the Far Eastern States, including Korea and Manchuria, shall be re-established.

The "New Europe," then, will be simply the old Europe of our experience: France will live again, intact and free; the three Baltic Republics which have been tossed back and forth between Germany and Russia will be restored with a special pledge from Great Britain and Russia that their internal affairs shall not be interfered with; Poland will be re-united; and Austria, certainly, will be detached from Germany and re-enter the family of nations. Beyond those settlements and still to be dealt with, lie Germany and her partners. We shall look at them later.

II

Is there any alternative territorial arrangement in Europe and the Far East more promising or, for that matter, practically possible? Is it not certain that any attempt, in connection with a post-war settlement, to "rectify" European frontiers, to content this or that minority, to become involved in problems of raw materials, malnutrition, and those other vague imaginings of excellent people, would produce interminable delays and bitter wrangling ending in ar-

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rangements probably no better than those which emerged from World War I? In going back to the old national lines in both Europe and Asia, the nations will return to a pattern with which the diverse populations are familiar through long established political and social habits, a pattern which was fairly acceptable and, but for Hitler and Mussolini, one that gave promise of enduring.

We come now to Germany, Italy, Japan, Hungary, Rumania, Bulgaria, and Thailand. Questions will arise as to the personal guilt of individuals, the restitution of stolen goods, the relative responsibility of the different state partners in the great crime. These questions should be dealt with coldly, without passion, and with implacable firmness. But we are concerned here only with the larger problem of a settlement which shall secure us, as far as may be humanly possible, against another aggression within fifty years at least. In reality, the problem boils down to the future status of Germany and Japan. Knavery, stupidity, ambition, and fear pushed Italy, Hungary, Rumania, Bulgaria, and Thailand into their masters' arms and doubtless they will be happy to escape from them and to give such reasonable pledges as may be necessary to insure good conduct. Italy, naturally, will be obliged to abandon her spurious claims in Northern Africa.

Germany must certainly be resolved into her original elements, and Japan must be absolutely limited to the main islands from which she burst forth only a few years ago. As respects Germany, there is great danger that our sentimentalists and others unfamiliar with German history will demand a certain tenderness of treatment on the ground that the German Government and the German people are not the same thing. It is hardly worth while to argue this point at present! We are now concerned with our permanent security and nothing else, and common sense shows plainly that the fairest and easiest method of obtaining security is by breaking the Reich into its component parts. It is the only method by which the Germans themselves can be rendered harmless and at the same time contented with their lot.

It is not the historic habit of the German people to live as a united nation. Without going as far back as the Holy Roman Empire, we find that the Reich as it now appears to us is not the result of an overwhelming aspiration of German-speaking people, whose branches present widely differing characteristics, but of Prussian ambition and intrigue. Lord Bryce, writing in 1873, said: "Looking to the form which the political reconstruction of Germany has taken, this reconstruction may fairly be said to be Prussia's work," Hitler, himself, although not a scholar, is even more specific than Bryce in demonstrating that his Reich is an artificial affair, and he has been so fearful of the underlying affection of the German people for their several states that he has done his utmost to break down the long existing forms and local governments which even the Kaiser respected. On page 831 of *"Mein Kampf,"* he writes: "The individual states unquestionably existed first as states and the Reich was constructed out of these. But the very construction of the Reich *did not take place on the basis of the free will* or identical actions of the individual states, but as the effect of the hegemony of one state among them, Prussia."

The Prussians, no doubt, will be incensed to find their domination over the rest of Germany terminated, but the people in the other states, notably Bavaria, Baden, Württenberg, and the Hanseatic Republics, will rejoice to find their old state flags, which they never ceased to hang out on Sunday in proof of their innate love of a vanished independence, restored to honorable status. The instinctive antipathy of the non-Prussian Germans for their masters will help them to revive their dormant state life and to develop interests and affinities which in time would tend to wear down the prejudice against all Germans created by the present war.

It is surprising that to so many of our own people the proposed division of the Reich seems almost like an offense against nature. Not only do the Germanic peoples differ in historical perspective, religion, and manners, but in point of fact they have rarely been politically united. Language is certainly not the only bond which either keeps people together or causes them to fall apart. The Swiss, living in a tiny territory, bordering on France, Italy, and Germany, speak the three languages yet are not less

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Swiss because of that. The scattered English-, Spanish-, and Scandinavian-speaking peoples manage to live in "disunion" and are not unhappy about it. In the British self-governing "colonies," within recent years, political evolution has converted the "colonies" into sovereign states. In any event, let those who object to the dismemberment of Hitler's ramshackle Reich propose something easier or better. Our primary concern at least for a century to come is for our own protection. Twenty-five years ago, largely with a view to facilitating the collection of impossible reparations, we committed the blunder of keeping Germany together, and ever since that time, whether it was Stresemann or Hitler who commanded, the united Germans sought not tranquillity and good understanding but revenge. Shall we repeat that grave error?

III

A RETURN to the pre-war world as here indicated in precise and comprehensible terms will be carried out, if it is carried out, by League of Nations II, a league composed of the United Nations now seeking to crush Hitler, a league actually possessing what League of Nations I never possessed, the power and the will to enforce its decrees. It is not probable that this League will abdicate any of its authority until ordered governments exist throughout the world. Therefore, it may require ten years or even twenty before we in the United States can think of returning to our traditional detachment from European affairs. This, indeed, may never be brought about, but tradition is a stubborn thing and deep down in our national consciousness lies the conviction that Washington was right, right as respects the long view, right as respects our becoming involved in the minor problems of the European world.

We have departed from our traditional policy, no one would deny that, nor would reasonable individuals pretend that in the circumstances we could do otherwise. But after peace has been restored, and when the nations can settle down to the consideration of their own concerns, there will probably surge up from within a demand that America shall return to her political moorings, and with it the question will be asked how this may be done while at the same time we keep our faith with our Allies in the present costly and dangerous adventure. It may prove easier to return to the American policy than now seems apparent.

Europe, in normal circumstances, is not more desirous that we shall participate in the settlement of strictly European matters than are we to do so. How many times, during the troubled existence of League of Nations I, have we found the European states irritated and restive as combinations of non-European states sought to throw the balance this way or that. It seems easily conceivable that at the proper time, having discharged our full duty to our present partners, we shall be able, as far as European matters are concerned, to withdraw from participation in League of Nations II which should become an exclusively European interest. With such a league, we could and should have warm relations and exchange services, but as for ourselves we should again live up to Washington's advice: " 'Tis our true policy to steer clear of permanent alliances with any portion of the foreign world."

In these circumstances our connection with the Pan-American Union would become closer and more important than ever. The Union has proved its ability to deal with issues affecting the North and South American continents. Canada, a sovereign American state, might appropriately be encouraged to join this Union.

These arrangements respecting Europe and the Americas inevitably suggest that the Far Eastern world should be similarly organized into an Oriental league to which should be admitted all the nations not associated with the other two. Thus carried to completion, the entire world would be integrated through three associations competent to dispose of all problems affecting their respective areas of action, and holding friendly intercourse and exchanging services with each other.

Both time and patience will be required to develop these various projects practically, but it is far better that we should pursue the idea of permanent peace upon attainable lines than to lose ourselves in day-dreaming about ideals suitable to the millennium but beyond our reach in the world in which we must live.

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The Least We Can Do

by

Walter Millis

IN confronting the problem of the post-war world, one can readily agree with Mr. Skinner that the time for the lofty exhortation, the vaguely altruistic vision, and the noble but windy generality is very rapidly passing. One can share his impatience with over-ambitious hopes and grandiose but imprecise plans. Enthusiastically one can echo his demand that the architects of the future get down to working drawings and concrete terms, based on the actual political, economic, and human materials which are likely to be available for the reconstruction of international society.

But that—as everyone who has given any thought to the matter at all is vividly aware—is not so easy. Mr. Skinner himself has designed a simple, comfortable, pleasantly old-fashioned three-family future, combining the necessary modern improvements with a great deal of the old familiar furniture. His picture of Germany disposed of by dissolution into her ancient states, of the rest of Europe reverting to "its pre-war status" and Asia doing somewhat the same, of the United States ultimately relapsing gratefully into its traditional "detachment," and the world finally settling peacefully down in three great coalitions—the Americas, a European league of nations, and an Oriental league of nations—is not without its attractive and restful aspects. But if one begins to work out detailed drawings of the structure; if one begins to consider the practical engineering problems involved in translating such a plan into reality, one is bound to ask whether Mr. Skinner is not quite as visionary as those prophets whom he reproves.

The design abounds in practical difficulties of every kind. Mr. Skinner's Oriental wing is extremely sketchy; he scarcely provides even a framework or floor beams, to say nothing of such vital matters as plumbing and ventilation. The European wing is a little more definite, though its internal arrangements still present innumerable unsolved architectural problems. And the allotment of accommodations raises serious complications. Even though the United States should "detach" itself from Europe, can it ever retire from the western Pacific, or fail to claim a seat in any organization controlling the Pacific island approaches? What about Britain and the Netherlands? As great Asiatic powers, it will be impossible to exclude them from the Oriental league (particularly if the basic principle is to be a return "to the old national lines" in Asia), yet they must of course have space in the European league if the latter is to enjoy any reality at all. Conceivably, it might be possible to meet such difficulties by various devices of double memberships and dominion freedom. But the one most obvious and most glaring omission in Mr. Skinner's future would still remain. How is Russia to be fitted into the pattern?

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Russia is both an Asiatic and a European power, and her position is fundamental to the organization of both regions. She is also certain to emerge from any victory over the Axis as one of the greatest of the world powers, unable, even if she wished, to escape the implications of her strength—just as the United States, after the last war, was unable to escape the implications of its strength, obstinately though it tried to do so. A European league built up out of the clashing and fragmented pre-1939 nationalities and sustained only by Britain and France would face two inevitable alternatives. Either it would have to accept Russia as its dominant member, or it would have to undertake the disastrous role (which seems to be the intention of some of those now most actively promoting the united Europe idea) of "bulwark" against Russia. Much the same thing might be said of any Oriental league. That the United States, virtually the only great power whose influence might provide a harmonious balance in such a constellation of forces, should be able peacefully and comfortably to "detach" itself from them seems most unlikely. To suppose that any one of the three projected leagues could actually organize its section of the earth without constantly appealing to, or feeling itself menaced by, the influence of the more powerful members of the other two, hardly accords with the evidence of experience. At a thousand points in the economic, political, and military fields they would find their affairs entangled; and it is to be suspected that the harder any one of them strove for "detachment" the more disastrous would the entanglement become.

It is not that Mr. Skinner's future is undesirable—if anything, it is only too deceptively attractive. It looks as pleasant and secure as any other Utopia; but is just about as improbable as most of them. At bottom, indeed, it is less a design for the practical organization of international society than the expression of still another hope that this hard task can somehow be evaded. Seeing clearly that there will be three or four great centers of power in the post-war world, it hopes that these will in some way manage to shut themselves up into more or less sealed compartments where they will attend to their own affairs and do a minimum of damage, thus relieving us of the necessity for integrating them into a genuine international society. One may vividly sympathize with the hope—and yet feel that it is most unlikely of realization. Granting that the time has come for the most realistic, concrete, and hardheaded approach to the problem of the future, surely, it is possible to make the approach down some more fruitful avenue than this?

II

THE last is not a rhetorical question. Anyone who asks it may properly be called on for the answer. In this whole field, nothing is easier than destructive criticism; it is so easy, as to put an imperative obligation upon every critic to try to offer something better on his own account. But nothing, unfortunately, is more difficult to do than that; it is so difficult, that my own attempt will be confined, not to possible final solutions, but to this matter of the immediate approach. To me, it seems that all our thinking about the future would be more productive if it paid less attention to ultimate patterns and systems, and concentrated more upon the actual elements likely to be initially available for their construction. If we think less about how everything will finally turn out, and more about how it is all likely to begin, we should secure a firmer grasp over the actual forces by which post-war society will be shaped, and therefore have a better chance of influencing them toward shaping it for tolerable ends, whatever the organizational pattern into which the world may finally fall. Surely, realism and the concrete approach must begin with evaluating the assets—and liabilities—society is likely to find in its hands as the war ends, the needs which must be immediately met, the probable trends which will be at work. If on the basis of such estimates a reasonably sound start is made in the building of the peace, the final forms (which, of course, will never be final anyway) can take care of themselves.

Obviously, no one could conduct such an investigation and inventory within the limits of a magazine article, even if he possessed the knowledge and ability to do so. It is possible, however, to suggest some of

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the elements with which it would be concerned and even to guess at some of the conclusions toward which they would point. For one thing, we are no longer totally in the dark on the one most important factor in the whole peace problem—which is the manner of the war's ending. When the Atlantic Charter was written, even prophecy was impossible; today, one can foresee with a fair degree of confidence many of the broad outlines of victory. The United Nations, for instance, are now clearly committed to a strategy which involves the destruction of Hitlerism first, with the final settlement with Japan to come afterward. It is therefore reasonable, as Mr. Churchill has suggested, to count on a period of perhaps a year or two, during which the war will be substantially over in Europe and the victor powers will there be wrestling with all the immediate and fundamental problems of reconstruction, while they are still waging the struggle intensively in the Far East.

Again, it is no longer necessary to fear the crushing of the Red Army or the disintegration of Russia. Russia will doubtless be in an advanced state of exhaustion after the frightful losses imposed upon her by the barbarian invasion; at the same time, it is already quite certain that the end of war in Europe will leave her by far the strongest military power on the Continent and potentially among the strongest in the world. It will leave the British and Americans between them disposing of a tremendous air, naval, and land power; but a very large part of this will have to be immediately diverted to the heavy task of crushing the Japanese—a task, it should not be forgotten, in which Russia's aid or co-operation will be of the utmost importance.

Between Russia's western borders and the Atlantic there will lie the fragments of the Hitlerian empire. As to their condition, it is less easy to predict. At best, it would seem that they must present an extreme of confusion, privation, and economic chaos, often complicated, perhaps, by internal dissensions and embittered factional rivalries, these in turn being variously modified by the *ad hoc* decisions (like those we have witnessed in North Africa) made by the advancing Allied armies. The governments-in-exile will, it may be hoped, provide many of the peoples with centers of stability around which the forces of democratic order can quickly form; unfortunately, for the largest areas—Italy, France, and of course Germany—such centers do not now exist. Inevitably, the great Allied powers will have to preside over their creation by their acts either of commission or of omission. But complex and difficult though the process may be, one common thread will run through every aspect of the question—the economic.

The immediate problem of getting food and clothing into the Continent, of restoring its shattered communications, rebuilding its industrial and agricultural plant, will be paramount. This will provide Britain and America with a certain amount of leverage over the temporary political adjustments, which they will be more likely to exercise because the related problem of averting mass unemployment within their own borders after the ultimate demobilization will be looming constantly larger upon their horizons. Unfortunately, it seems probable that the demands of the war in the Orient will severely limit what can be done toward reconstruction through the lend-lease machinery (and perhaps too great hopes in this respect have already been raised in Europe); but lend-lease at any rate will be only one of the powerful, governmentally-centralized economic controls existing in Britain and America, which will be available for meeting the immediate reconstruction problems, and which will almost certainly be maintained and used for such purposes.

Those who are better equipped for it than I may make a similar estimate of assets and liabilities likely to be available in the Far East on the morrow of victory in that theater. At all events, we can now anticipate, with some degree of confidence, the war ending in Europe in another year or so, with the total defeat and dissolution of the German Army; with Russian, British, and American forces policing the wreck; and with some sort of provisional regime established under their aegis in Berlin, trying to put the pieces together. It seems to me likely that the immediate need for installing some kind of organization and restarting some sort of economic life will be far too urgent to permit anyone even think-

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ing about such things as the dismemberment of Germany for a long time. The practical imperatives will be all the other way. At the same time, the United States, whether it likes it or not, will be compelled to continue the closest co-operation with Britain and Russia in Europe because of our need of their military strength to end the war in the Far East. The continuation of the latter will tend to discourage "final" solutions or cut-and-dried "peace conferences" like that of Paris; yet the transient decisions taken are bound to have a far-reaching influence on the character of the ultimate arrangements. Finally, after another couple of years we can expect the defeat of Japan, leaving a much more fully united China as the strongest power in the Far East, but one, it is earnestly to be hoped, linked closely enough with the other great powers to permit of the satisfactory regulation, among them, of Far Eastern relations.

III

SUCH are the principal building blocks out of which the future is going to be made, for better or worse, whatever we may plan. Each factor deserves the closest present scrutiny, and most careful estimate of its possible implications, by all who are interested in making that future peaceful and productive. But perhaps it is already possible to guess that some broad conclusions, at least, would emerge only more strongly the more thoroughly the investigation were made. In face of the facts it seems to me utter folly to talk of the United States "running the world" or "running Europe," while on the other hand, it is quite impossible to believe that the United States can withdraw without lamentable results from a very large share in international society. In the second place, if there is to be a genuine organization of international society at all, it will have to start in the organization of the four great powers which will among them supply the dominant forces in that society—China, Russia, Great Britain, and the United States. Leagues of Nations, Unions Now, regional federations, and all other projected schemes might or might not be excellent in themselves, but they could only take on reality or the reverse accordingly as these centers of major strength were or were not in substantial and harmonious agreement.

This is by no means to say that there must be a four-power world dictatorship. It is merely to say that if these four powers devote themselves to quarrelling with and endeavoring to overreach each other, we shall probably be in for a long series of bloody wars; if on the other hand, they can be fitted into a reasonably balanced and co-operative relationship, then the bases will be established on which a workable international organization (which might take any one of many different forms) can develop.

There is much reason for believing that such a relationship is possible, for their true interests seem to be much more in accord than in conflict. For the Western Democracies, the central problem is Russia, just as for Russia the central problem is the two Western Democracies. The Soviets are, with reason, both intensely interested in their own security and intensely suspicious of a West whose record, in the past twenty years, has hardly been reassuring. The Soviets will almost certainly secure those border areas to which they believe they are entitled; they give evidence, however, of a far greater interest in the rebuilding of their own devastated territory and the development of their vast Siberian hinterland, than in schemes either of aggressive-imperialist expansion into Europe or of Marxist world revolution. There is great weight in the contention that if the United States and Great Britain between them show the firmness of purpose and the courage of their democratic convictions to reorganize Europe and provide a genuine collective security system, the Russians will be happy to leave the task to them.

The chief preoccupations of the British appear to be three: to maintain the general structure of their maritime Commonwealth, to end the ever-recurring military threat from the Continent, but above all to develop an international economy which will enable them to rebuild a peacetime industry, re-employ their demobilized soldiers and war workers, and achieve a high level of domestic prosperity. As to how this last is to be accomplished, they are as yet very uncertain. But their spokesmen are earnestly seeking after some method for

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replacing the cutthroat international trade wars of the past with an active international trade in which the gains made by one nation will not be at the expense of another, but in which the ideal of a reciprocally expanding economy for all can measurably be achieved.

The United States can certainly share all these objectives. Many Americans are not yet prepared to accept the methods by which the British are hoping to attain them. The British, already highly centralized if not "socialized" themselves, are thinking in terms of expanded intergovernmental controls—international control and just allocation of raw materials, international control of currencies, perhaps a centralized direction of trade relations by mechanisms less crude than the old devices of tariff structures and monetary wars. The United States is still much more reluctant to admit of so large an intervention of government in the private economy as this implies; but after another couple of years of war, and as the post-war economic problem looms ever larger upon our horizons, the reluctance may diminish. The Russians, it may be noted, would have no difficulty in understanding the British point of view; and should the United States insist upon retreating, after the war, into a policy of irresponsible nationalistic isolation, it is at least not impossible that we would ultimately find ourselves confronted by a very powerful Anglo-Russian combination against which we would be more or less helpless.

But one need not labor all the many disasters that might flow from a failure of the great powers to develop a continuing joint policy. It is enough to say that one of the most obvious weaknesses of American policy so far has been its refusal, or its inability, to come to a firm understanding with Soviet Russia, certainly the one great central fact upon our international horizon today. If we persist in opposing our own suspicions of Russia to Russian suspicions of the West, if we continue to lend color to the idea that we may be ultimately more interested in "building a bulwark against Bolshevism" than in organizing the post-war world, if we cling to a parochial or purely unilateral approach to the world problem, any tolerable solution for that problem will be nearly impossible. But actually, as suggested here, there seems no fundamental reason for disagreement among the four chief members of the United Nations; and if this can be understood, if the United Nations can be transmuted from a mere phrase, which is all they are now, into a reality, genuine solutions should enter the realm of practical statesmanship.

IV

It is probably unnecessary to ask now just what form these solutions would take, as any present answer would almost certainly prove to be wrong. But it is possible to foresee what might be accomplished on the basis of a broad and firm understanding between China, Russia, Great Britain, and the United States. The four powers among them could enforce the disarmament of the aggressor nations and could ensure that what armaments remained in the hands of other powers would not have more than a local importance. In harmony as to their own general political aims, they could the more earily combine in the immediate tasks of economic reconstruction; and from the experience and the practical expedients derived from that process, they might succeed in establishing certain minima of a supernational economic order—the control and allocation of raw materials, the regulation of world currencies and fiscal policies, a reasonable equality of access to world markets. Such a result would be more probable because the four powers would tend to balance each other. Such a balance would tend to relieve the smaller states of the fear of domination by a single world power; while among the four, each is so strong that no one could master the other three. As a matter of fact, not only their economies but their military establishments are actually much more complementary than they are antagonistic. In the present crisis, not one could stand alone; in the military as well as the economic field each is intimately dependent upon the other three. The fact of this interdependence will survive the end of the war; it is at least not impossible that a realization of the fact will also survive, with its restraining influence upon all.

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These considerations lead to the hope that a genuine understanding among the four great powers might achieve two things: It might relieve the world of the fear and frantic rivalries of conflicting militarisms, and it might provide the elements of a supernational economic order which would discharge the "sovereign," political nation-state from much of the crushing responsibility it now bears for the economic advancement of its citizens. If that much could be done (and it is, of course, a great deal) then a framework would be created within which most of the detailed problems which now seem so insuperable—problems of frontiers, of rival economic and military strategies, of political organization—would be susceptible of adjustment by any one of many different means. Within such a framework, it should be reasonably possible to maintain the freedom, the cultural individuality, and the economic opportunity of all peoples, without condemning international society to being periodically racked to pieces by their nationalistic conflicts.

It does not seem too much to hope for at least that measure of international organization. If that much cannot be obtained, it will simply mean that after this war, as after the last, there is to be no real international organization, but only an anarchy leading to fresh wars. If it can be obtained, however, one need not worry much about the precise institutions which will express it. They will take care of themselves.

IN MEMORIAM

HENRI FOCILLON

BY

HENRI BONNET

FIGHTING France and all those who loved Henri Focillon are stricken with grief. They sorrow at having lost the best and most dependable of friends, the noblest among us—one whom we shall never replace, one whose absence leaves a void that cannot be filled, even if we loyally follow his advice and close ranks to feel less lonely now that he has left us.

We grew accustomed during the years of unceasing anxiety to feel his presence constantly with us, even when illness removed him from the scene of action. We relied on his strong and sympathetic support, which he never failed to give us. Unmindful of racking pain, he thought only of his country, of the friends of France and of all those who, whether on the battlefield or in the Underground, fought for a future whose bright course he was able to trace better than anyone else. This coming freedom which he so well deserved to see on the day of victory now loses one of its most valued guides behind whom we have marched so confidently and gladly.

A truly great Frenchman has just passed away. Within him were the vigor and the wealth of the soil of France. He had inherited in their richest and purest form all qualities which the trials and labors of centuries have bequeathed to the French. How many times I heard him—who naturally lived in the rarest realms of the spirit—

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claim complete and fraternal communion with the ideas of the people who were so dear to him!

Like all the other great thinkers, he had marvelous invisible bonds with the great mass of his countrymen, which revealed to him beneath their apparent weakness that strength and tenacity of which martyred France today gives testimony to all the world. These bonds too evoked in him, ten and twenty years before this war, an unyielding opposition to the fascist and nazi theories which degrade man, the man of our tumultuous era, "the industrial man," as Focillon sometimes called him. He liked to trace the profile of this man of tomorrow, just as the writers of the Renaissance had sketched the first model of modern man. He never disowned any part of the human being, or of humanity for that matter, but he refused to believe that the instincts and the irrational forces could ever reduce man to the level of the beast, or that it was necessary to have masters and trainers to prevent the revolt of the slaves.

It was this faith that sustained him in the darkest hours of June, 1940. The pleas of Focillon, who was then in South America, a grief-stricken and sympathetic land, resounded across the world. They will take a foremost place in the dolorous literature of defeat, alongside the most eloquent cries of defiance and hope which were then hurled at the barbarians. They will live through the ages like other expressions of this universal spirit. And his own incomparable style, which was as natural to him as the air one breathes and which Paul Valéry once compared to that of Bossuet, that will live on too.

Focillon is gone, but the seeds of his fertile mind have long since germinated; already the great tree is rising to furnish a place of refuge and reflection for the friends and disciples he had formed without having known them. In his work they will find, purer than the purest poetry, a revelation of art, a philosophy of form, a synthesis of the history of civilization; the entire story of mankind is unfolded in his studies of the art of the Mediterranean and Middle Ages, of the art of the Far East and the modern era, as well as in his audacious research into the creative work of our time and into the popular arts whose origin and evolution he was among the first to trace.

To the League of Nations and to the work of international intellectual co-operation of which he was the inspiration, this great educator devoted much of his writing. His prophetic critique of the mistakes of our epoch was always supplemented by constructive proposals which he enthusiastically sought to realize in his own time and which will still be guideposts of tomorrow. It was only natural that one with his ideas should become a founder of the Free World Association.

Henri Focillon bequeathes to us an example of great character. To the gifts of his mind he added the most gracious and delicate courtesy and a contagious gaiety, often ironical but always friendly. He, who knew and understood everything, refused to admit that one could be base enough to abandon ideals, to compromise one's convictions, one's faith, or that moral law of which he himself was the radiant champion. Apostle of tolerance and freedom of conscience, he liked to call himself hard and inflexible in his beliefs and in his purposes, like the revolutionaries and the pioneers who in this country and on the banks of the Seine established our free republics of equality and fraternity.

And thus he gave all his heart and all his mind and his soul to the cause of Fighting France. With unswerving loyalty, he adopted the cause of General de Gaulle; he remained faithful to the latter until his last breath; he dedicated all remaining strength to rallying the French around the General. One thing was granted to him—the immense joy of seeing the vise of the Allied forces tighten around the enemy across Russia's steppes, as invincible as her people, and on the soil of French Africa whose long history had always been one of his passionate interests.

In France, as well as in many other parts of Europe where he was regarded as an honored citizen—how many friends will weep tomorrow for the death of Focillon, as those whom he has left behind in exile mourn for him today? To all who are united in the memory of him, he leaves the bequest to take up his task and to carry on.

—Translated by Daniel Margolin

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CONFESSION *of a hundred per cent French Nationalist*

Why I became a DE GAULLIST

by EMILE BURÉ

DEJECTED by the terrible news which kept pouring in from the front—news which I had somehow anticipated, however, with the prescience of my growing pessimism—I went over to the Ministry of the Interior at the Place Beauvau that evening of June 9, 1940. Georges Mandel was then sitting at the desk which our teacher, Georges Clemenceau, first occupied in March, 1906. Deeply moved, I entered the study of the man who was soon to be the last Minister of the Interior of the Third Republic. I still remember him as a cub reporter on *L'Aurore*—that champion of Dreyfus which gallantly published Emile Zola's "J'Accuse," "the most revolutionary act of the century," as Jules Guede, the socialist leader, later put it.

I sat down. "It can't go on like this, Mandel," I sighed. "It certainly can't," he agreed. "But didn't I always tell you, we shall go from defeat to defeat until the final victory?"

His sinister optimism failed to reassure me. Anyway, he added, he would not be surprised if there would be a big change in the Chamber of Deputies before the end of the year. Georges Mandel had always been a firm believer in the parliamentary system.

During that same night, one of my colleagues at *L'Ordre*, whom Georges Mandel had taken into his Ministry, called me up. "All right, old man," he said, "you can take a trip to the country." It was the watchword we had agreed upon for our departure. The Government had decided to leave Paris. There was no reason for me to remain. At four o'clock in the morning, we set out for Saumur. I still see myself and the wife of the superintendent standing on the sidewalk in front of our house. An early worker was passing by. The superintendent was carrying our few belongings to our car. Even then we all hoped for another "miracle of the Marne." If it should not come true, the invader, we were convinced, would surely be stopped either at the Seine or at the Loire. After all, in 1914, Joffre too had thought for a moment of withdrawing behind the Loire.

The road from Paris to Saumur, from the Seine to the Loire, was completely deserted. Occasionally we were stopped by a wooden barrier resting on some sandbags and guarded by a helmeted sentinel, who with his rifle on his shoulder marched serenely

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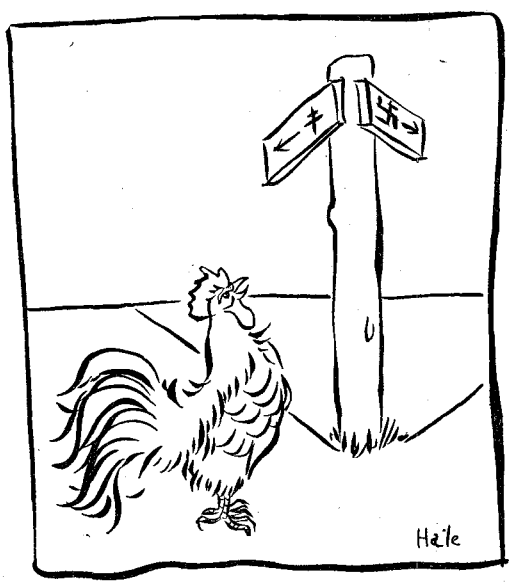
up and down in front of it. The large bridge across the Loire near Saumur was not guarded at all, however, when we crossed it.

We had not been able to inform our friends in Saumur that we were coming, but they expected us. The patriotic radio antennae do not miss much. During the night German planes had smashed a house not far from our friends' place and killed a lovely young girl. Thus the bad news we brought with us hardly affected them. The radio later confirmed our reports. So did the information I soon gathered at the prefecture at Tours, where the Government was preparing to hold its future sessions.

In the courtyard of that prefecture, Hélène Retuffet, Comtesse de Portes, the sinister Egeria of Premier Paul Reynaud, was walking furiously up and down. My wife and I had several times been asked to lunch with her at the home of the Marquise de Ludre. The husband of the Marquise was the Senator from Orne and took his political cue from Joseph Caillaux, the Radical Senator from Sarthe, for many years an habitual defeatist. The Countess never seemed to me either particularly intelligent or beautiful. With her conceited, silly gossip, her dark and blotchy complexion, her overlarge eyes, she might have struck me as stupid and ugly, had she not been the mistress of the head of the Government—of that very man whom I had helped to put into power with what little influence I had.



I greeted her politely. She replied with a dry little nod which indicated clearly what she thought of me and my policy of resistance. We were not friendly. At her urgent demands, Paul Reynaud had entrusted a Ministry to Paul Baudoin, Governor of the Bank of Indo-China, who had been the defeatist go-between of Mussolini and Georges Bonnet at Rome before and after Munich. He had also published an article in the *Revue de Paris* and various pamphlets, brought out by the art publisher Helleu, in which he had made no bones about his pro-nazi feelings. Naturally I had been profoundly shocked by the criminal carelessness of our Premier.

While Paul Reynaud talked to Mr. Winston Churchill, who had arrived by plane from London with Lord Halifax and Lord Beaverbrook, the Comtesse de Portes went to work on those ministers who were known to favor continued resistance. When General de Gaulle proved especially insusceptible to her defeatism, she gave him a rude dressing down—almost to the point of actually insulting him.

When the British Prime Minister left the prefecture, I felt that she had won out. Churchill was chewing a ball of paper to calm his nerves. His big kind eyes, sad like those of a bulldog which had just received a sound thrashing, were filled with tears. He forced himself to smile at Michel Clemenceau, son of Georges Clemenceau, a colonel in the Colonial Infantry, who shook his hand. In the courtyard the Comtesse de Portes was organizing the departure of the British delegation by assigning personally to everyone the car reserved for him.

France had sunk low indeed! *Pot-Bouille dans la Debâcle.* But Emile Zola was no longer there to witness this terrible symbolic scene. This time France had definitely been betrayed by a General Staff which was strategically and politically reactionary and had deliberately failed to prepare for war in order to devote itself more fully to the organization of the counter-revolution. What new "J'Accuse" would this great mind, this great Frenchman, be writing today, in exile with the rest of us?

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II

AFTER Mr. Churchill had left, the Cabinet convened to hear Paul Reynaud report upon the course of their conversation: A message was to be sent to Mr. Roosevelt invoking the help of the United States; moreover, no matter what happened, the French fleet was to join the British in England. As soon as the Premier had finished, General Weygand, who had roused so many hopes when he replaced General Gamelin, took the floor. Actually, Weygand had never believed that we could win, despite his inspiring appeals to army and country. In fact, he had not even tried to win. I recalled what Georges Clemenceau once said to me about him: "He is the brain of the General Staff, but watch out—if there is to be a *coup d'état,* he will launch it."

The day before, Weygand had clamored for an armistice. "We'll hold out to the end. Surely, we'll hold out to the end. But the end has come," he had insisted for several days. This time, however, in order to carry his point, he made the mistake of rashly giving away his political prejudices. "Gentlemen," he announced solemnly, "if I say we can't wait any longer, I don't say so without reason. The Admiralty just sent me a telegram according to which serious rioting has broken out in Paris. The Communist Thorèz is reported to have occupied the Elysée."

Before the meeting, Georges Mandel, the Minister of the Interior, had called the Police Prefect, Langeron, who had assured him that complete order reigned in the capital. He thus was able to deny officially the statement of the General, who, in turn, indignantly protested. "Do you doubt my word?"

Called again over the telephone, Langeron confirmed the information he had given his chief an hour earlier. With the General thus ignominiously refuted, the ministers left without coming to a decision. They had witnessed a historical scene. It now was clear that a defeatist plot was being hatched in Paul Reynaud's Cabinet. Who sent to General Weygand the alarmist telegram with which he hoped to shock the meeting into a decision?

Edouard Herriot was the last person with whom I shook hands in the courtyard

of the prefecture at Tours. Many a time we had fought on opposite sides. In 1925, he had even denounced me as a spy when I published, in *L'Eclair,* the secret report on Germany's rearmament by General Nollet, chief of the Inter-Allied Disarmament Commission, to rouse him out of his pacifist illusions. But now this incident was forgotten. For several years we had been friends again. We were reunited in our common effort to save our beloved country. "At this moment," he said to me, with tears in his eyes, "they are entering Paris. From now on, no more quarrels, no more disagreements, my dear Buré."

I too promised myself to work with everyone else for our common goal, but we both reckoned without the conscious and unconscious traitors in the army, in politics, in the press, and in industry who saw in the invader a liberator—a liberator who would at long last destroy, along with the Popular Front, the Third Republic itself and all the rights it stood for.

When Winston Churchill proposed to the Reynaud Government the formation of a Franco-British Union with its European frontier on the Rhine, the suggestion was heatedly debated at a meeting of the Cabinet.

"France refuses to become a British Dominion," Camille Chautemps furiously declared.

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"Would you rather have her become a *Gaul?*" someone replied, brutally frank.

III

WHEN I was certain that the Government would not go to Africa to carry on the war from there together with Britain, I began to wonder whether Hitler would actually occupy all of France. In that case there was only one thing left for me to do. I had to leave the country as quickly as possible in order to escape the Gestapo, for I knew I was on their black list.

To be prepared for any eventuality, I had procured a passport for Spain and Portugal in Paris. At Bordeaux, before the downfall of the Reynaud Government, the Foreign Office was also willing to give me permission to go to either England or America. At the British Consulate, however, no one knew on June 16 whether a passage could be found for me. I therefore decided to stay in France. That night I slept better than I had since the outbreak of the war. But on the seventeenth, the Pétain Government was appointed. One of my associates who had been present at its formation came to me: "The Gestapo is going to send agents to all the big cities in France. You must leave, old man. The Press Chief of the British Embassy has assured me that there is a passage for you and your wife on the boat that is taking the men of the RAF back to England."

My wife started at once to repack our bags. Our landlady, a native of Bordeaux, watching her, lamented our departure in her charming, drawling voice. "How can you leave France, Madame, how can you?" Yes, we French are rooted deeply in our native soil. Our friends abroad cannot understand how so many of those we customarily call our elite could invite, and still can follow, the invader. When Hitler proclaimed himself a bulwark against bolshevism, he hit upon his most ingenious propaganda slogan.

The evening of June 16, I was chatting with a friend of mine in the restaurant I had made my Bordeaux headquarters when someone came to tell us that Georges Mandel had probably been arrested. No one was being admitted to the Ministry. We heard a police car pass by in the street. "That's a raid," the owner said. He felt evidently uneasy but tried to be cheerful. "I bet they are looking for Buré." I shrugged my shoulders. At that time I had no idea yet that a *coup d'état* was about to be launched. Very mistakenly, I was afraid of the Germans only.

That afternoon I had run into Marx Dormoy, former Minister of the Interior in the Blum Government, who had been deeply worried. "We are trapped, my boy; they are going to hand us over to the Boches." And he had added: "Do you know that there have been demonstrations against Blum? The owner of his hotel got cold feet and asked him to leave. Traitors, all traitors . . . and in every party."

At this moment we saw eye to eye. But we had not always agreed. "You remember, Dormoy, when I came to you at the Ministry to tell you what I had heard about the Cagoulards? They had received arms and money from Italy and Germany, especially from Italy. And they were responsible for many crimes which all the papers in the pay of the Fascists and Nazis blamed on the Soviets. They also received funds to organize and launch a coup which was to further the aggressive plans of the Fuehrer and the Duce. I gave you all the details at that time. You agreed that my information was reliable. But much to my surprise you failed to act. 'Daladier,' you told me, 'wants to hush up the matter. There are too many important military men involved; a public scandal might harm the morale of the army.' 'This is ridiculous,' was my reply. 'This is exactly what Cavaignac, the Minister of War, said at the time of the Dreyfus case. Give me the file of the Sûreté Générale. I'll publish it, and you'll start an investigation against me. You can even arrest me if you want to. In any case the truth will come out this way, it can't any longer be suppressed.'

"You would not listen to me. In your well-meaning way you even warned me against my super-patriotism. But today you must admit that your weakness and that of your socialist friends and Radical associates in the Blum Government are responsible for much that is happening now. If you had shown up Pétain and Weygand for what they are, if you had them kept under police supervision, if you had stood

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up to the big industrialists, Michelin and Renault, who threw up their arms and appealed to Hitler and Mussolini every time the workers asked them for a raise of four sous, you would have every good Frenchman behind you now. France is by nature a fighter; if she seems no longer one today, you know that it is because people like you and your friends permitted the conscious and unconscious agents of the enemy to go to work on her."

Today Marx Dormoy, that gallant World War soldier, is dead—a victim of the Cagoulards who placed a time bomb under the mattress of his bed. The forceful playwright Henri Bernstein told me that one of his friends met Dormoy in Vichy late in 1940. While they talked together, a man came up to them, "Are you Dormoy?"—"Yes, why?"—"I am a Cagoulard. You arrested me once; but now I'll get even."

IV

A CONFESSION must be sincere and complete. I admit that, had I heard Pétain's announcement about the armistice and had I known that France would not be occupied completely, I would not have left. In fact, while I was on the English boat on my way into exile, I was constantly looking for a chance to go back. For two days we stayed in the harbor of Verdon, right under the guns of the Germans. Next to us two other boats were lying at anchor. One was sunk. From the other Stephen Osusky, Czechoslovakia's Foreign Minister at Paris, disembarked on the day scheduled for our departure. He still had some business to attend to at Bordeaux. With Léger, Secretary-General of the Foreign Office, E. J. Bois, editor-in-chief of the *Petit Parisien,* Geneviève Tabouis, and André Géraud ("Pertinax"), an old colleague of mine on *L'Ordre,* I had been entrusted to the special care of our English colleague, Noble Hall. I asked Hall to call back the sloop which was taking Osusky ashore so that my wife and I could return with him. He categorically refused. Fortunately. Fortunately? I did not think so at that moment. As a matter of fact, for some time to come I deeply resented his refusal. I decided, moreover to call on Ambassador Corbin as soon as I got to London and ask him to include us among the members of the French mission and the French journalists who were to be repatriated.

And I did. I saw Corbin whom I had first met when I was a department head under Aristide Briand during the days of the first World War, while Briand was Foreign Minister. "The Government of my country," I told Corbin, "is either right or wrong. Right or wrong, I stand behind my Government. Every patriotic Englishman reasons that way. Put me on your repatriation list." The Ambassador was just about to resign. He understood my request and readily complied with it.

A week passed. One night the telephone woke me up. I woke up easily—I hardly slept any more. A friend on the *Daily Telegraph* was calling. He informed me that a warrant for the arrest of Geneviève Tabouis, Henri de Kerillis, André Géraud, and myself had been issued by the Vichy Government. What was I to do? I went back to the French Embassy. Corbin was no longer there. Boni de Castellane was now in charge. I had often lunched and dined with him, and I knew him well enough to call him by his nickname, "Bonichon," used to distinguish him from his father, whose ruinous aristocratic, matrimonial, artistic, and political escapades had long dazzled and entertained Paris. At my reluctant request, he removed my wife's name and mine from the repatriation list.

By now I had become deeply depressed. I was nervous, cried easily day and night, and tossed sleeplessly on the bed in my hotel room. Exile seemed unbearable to me, for I loved France with an almost carnal love. And I adored my child and grandchildren whom I had had to leave behind. The day before the repatriation group left, one of the members came to say goodbye to me. I could not stand it any longer. With tears in my eyes, choked with emotion, I called up Boni de Castellane and begged him to take my wife and me back into his party—this time for good. "Too late. And good luck!" he replied, gently, terribly.

I became a changed man. Military developments did not help to improve my shattered health. Russia, you remember, was still neutral, and America, too, kept carefully out of the struggle. Thus the out-

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look was dark indeed. And there was no reason to assume that it would have improved if these two countries had not come over to our side. "But these two countries were bound to become our allies," you will say; "it was bound to happen, it was the only logical conclusion." I don't deny that, of course, but you must admit, on the other hand, that up to then this world-shaking war had not been following a particularly logical course. Nations with common interests were fighting on opposite sides, thus playing into the hands of their common enemy. Even now, as I might add, they have not yet managed to work closely together, to establish strong and permanent bonds.

London was raided. I began to feel sorry when the German bombs which wrought havoc in the British capital did not find me. I regretted that they had not found me in Paris when they hit and burned down two houses in Auteuil, 100 meters to our right, 200 meters to our left. Again and again I walked over to the window to see how high it was! Had I been able to get some poison, I should have committed suicide. I no longer cared to live. When I learned that the Vichy Government had deprived me of my citizenship, confiscated my possessions, and struck my name from the list of the Legion of Honor, I made an attempt to hang myself. I failed because I cried too hard. Fool that I was, I still would have preferred imprisonment to exile.

I went to America simply because France still had an ambassador there. He might agree to repatriate me though his Hitlerite defeatism had long stood between us. My health deteriorated steadily. I was no longer able to see persons and things as they really were. Much as I despised the men of Vichy, I swear I never believed that they were capable of the crimes they committed, at Hitler's orders, during the last year and a half. It seemed inconceivable that they would betray France and her most sacred traditions so foully and stupidly, even more stupidly than foully.

I who had always tried to live up to the journalistic maxim of "examining all developments with regard to their impact on France," certainly was not meant to be in exile while my country lay prostrate after its most smashing defeat. I recalled Danton's word: "You don't carry your country with you on the soles of your shoes," and the advice of my old teacher Georges Clemenceau: "Abroad you should never denounce your fellow countrymen, even if you have the best reason in the world to oppose them, yes, even if they are your most bitter enemies." But both men had known only a French France. Neither one of them had foreseen a France trembling slavishly at the feet of the enemy.

Since I was unable to work, since I refused to eat or even leave the house, my wife decided to take me to a sanitarium. Friends of all nationalities helped her. They had not forgotten the bitter campaigns I had launched in France against Hitler and his henchmen. And they also remembered gratefully the cordial welcome with which any refugee from the Nazis had always been received at the office of my paper, *L'Ordre*. I stayed there until I met a doctor whose name now seems to me symbolic, Dr. Glück. What saved me was the electric shock treatment—an impressive operation which I would not recommend to anyone except in case of urgent necessity. One volt too little—and it is ineffective; one volt too much—and it is deadly!

I have now fully recovered. Despite my sixty-seven years, and despite all sorts of difficulties which the spoiled child I once was has to cope with in exile, I still get around easily. And I am sure I'll see France again, no longer an enslaved France, but a France which again is free.

To work for this day, I have joined France Forever. It took me longer than others to make up my mind, 100 per cent nationalist that I am, but now my determination is all the stronger. For I have always placed my country above my personal, class, or political interests, and I have never had friends or enemies other than those who were friends or enemies of my country. Similarly I have always felt drawn to other countries according to the strength of their friendship for mine. I am a democrat as much as ever. In fact, I must be, for once you lose faith in democracy, you lose faith in man, in yourself. On the other hand, I know well that, like Renan's God, democracy comes at the end, not at the beginning —in short, that it is always *becoming*.

—Translated by Andreas Dorpalen

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Progress of the Struggle

by NORMAN ANGELL

IF you would measure the progress of our cause during the last two years, compare the contents of the New York morning newspapers almost any day of the first half of March of this year, with the news as presented by those papers in the corresponding period two years ago—not merely as relating to the military situation but to the political, moral, and intellectual state of the country as well, the grasp by the American public of what our cause is, what the issues of this war are. (In doing it, keep in mind that unqualified optimism, like unqualified pessimism, is fatal. If your boat is in the current above the falls and you say, "There's nothing to worry about, let's take it easy," your optimism will destroy you. Equally, however, will your pessimism destroy you if, caught in the current, you then decide that it is useless to attempt to pull against it.)

Recall what the situation was in March, 1941. Neither Russia nor America had yet come into the war. Nine months previously France had gone out of the war, and Britain had left in France almost her entire military equipment. (There were, we now know, about a hundred tanks in all of Britain to meet the greatest danger of invasion the country had known in a thousand years.) Such remnants of British equipment as could be scraped together were, despite the dreadful risk of invasion, being sent to Egypt for the defense of the Suez Canal to frustrate by anticipation the geopolitical strategy of Hitler, the seizure of the Mediterranean coasts and so of Africa, which would have enabled him to "beat the oceans from the lands," nullify Anglo-American sea power, and make himself truly master of the world.

No one could indicate any clear plan of victory: Britain just had to hold on and hold on. Compare that bleak and planless prospect with today's news: the utter destruction of the myth of enemy invincibility, the enemy's sure knowledge, as well as ours, that only unmitigated folly on the part of the United Nations can prevent his utter defeat and their complete victory. The enemy's one hope now is that he may be able to divide the Allies, to profit by differences which run deep, and which confusions and mutual ignorances can make unbridgeable.

Yet make the comparison on that score too, the score, that is, of increasing unity. It was on March 11, 1941, that President Roosevelt signed the Lend-Lease Act, and in the next nine months opposition to the Administration grew every day both in numbers and in intensity. Think of a time when, at about the lowest stage of Allied fortunes, the bill to extend the draft was carried by *one* vote in Congress. How, asked foreign observers at the time, could a nation go to war on a legislative majority of one vote? True, such questions left much out of account. But they were asked. What was significant in the isolationism of that time was, not the noise made by men whose names the average American today recalls with a feeling of contempt, and some nausea, but the presence in the ranks of the isolationists of men who commanded, and still justly command, respect and esteem, men of whom it could be said as Lincoln, in Drinkwater's play, said of the Quakers who called upon him to "stop the war," that "these people are wrong, but they are nobly wrong." It was no selfish vested interest which animated some, at least, of those who threw themselves with passion into the fight against this country's participation in the war, or in what they termed its drift to war by help to Britain and China. Some of the political leaders, churchmen, university presidents, historians, authors, intellectuals, business men who carried on this opposition were expressing convictions as deep as a religious faith, convictions having their roots in fa-

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miliar interpretations of American history and folklore, and in what they believed to be "the promise of the American way of life."

Take now the New York morning papers of, say, March 9, 1943. The very first column of the front page of one of them is devoted to Governor Stassen's plea that the next presidential candidate of the Republican party must, whatever else he be, stand clearly for world co-operation and against American isolationism. Recall the fact that Governor Stassen represents Minnesota, the Middle West, and the party in Opposition. Imagine there coming from such a quarter two years ago the statement that "the overwhelming majority of the people know that the walls of isolation are gone forever. They have resolved that they will not countenance a weak, negotiated peace by compromise. They are seeking the answers to the problems of lasting peace in the world of tomorrow."

Displayed prominently on the same front page are five other war items: the smashing of Rommel's latest offensive by the British Eighth Army; the sinking or damaging of seven ships in the Sicilian narrows by American Flying Fortresses and Mitchell Bombers; the decision of the State Department to withhold supplies from Martinique because Admiral Robert, a Vichy appointee, "has refused to give the co-operation which the United States has sought from him"; the news from France that Laval's latest efforts to deliver young Frenchmen to Hitler are being met by a "guerrilla movement" of resistance more organized, more open, and more effective than anything of which we have had reports so far. (The headlines describe this as "open rebellion," punctuating the story with news that American Fortress and Liberator bombers had the day before ripped French railroad points at Rennes and Rouen in broad daylight, the fifth daylight raid over the Continent by the United States Army Air Force in eleven days.) These five items taken together make a picture alike of the military and the political situation which two years ago no one in the world could have said with assurance would be possible.

But there is more. Side by side with the report of Governor Stassen's pronouncement, is the speech of Vice-President Wallace at Delaware, Ohio (in so many respects the best he has delivered since that which he made at the Free World dinner last year). He warned America that she must not let Russia down, a policy which might compel the Soviets to align themselves with Germany. He warned indeed that "without a close and trusting understanding between Russia and the United States there is grave possibility of Russia and Germany later making common cause."

This remark touched off an explosion of criticism, most of it wrong-headed. The significance of that criticism, however, is that what the critics—conservative Republicans for the most part—resented most was what they interpreted as an implied reflection upon Russia; and the implication that there is an anti-Russian bias in this country. Where, asked one Republican commentator with some heat, are the signs of any fascist cabal against Russia? So far so good. But the critics seemed to miss the point that where we, the Western Democracies of Britain, France, and the United States, have failed in our relationships with Russia in the past is, not in having participated in any active fascist plots against her, but in having failed to fulfil our positive not our negative obligations toward her. The risk is that the sin of omission may be repeated.

Britain, France, and the United States have offended against Russia as Britain and the United States offended against France when, Wilson and Lloyd George having offered France a permanent guarantee against German attack, that guarantee failed of ratification alike in Parliament and in Congress. That is to say, the collective security system, by which Russia was prepared to abide, did not become a political reality for any European state until it was too late, until Britain returned to it suddenly in the shape of the guarantee to Poland. That guarantee and its implementation in September, 1939, was at least proof that Britain had *not* accepted the offers so repeatedly made to her by Germany to give the latter a "free hand" with Russia in return for Britain's immunity from German attack. But though the facts exonerate Britain and the United States from that kind of charge, they do not exonerate them from disastrous ineptitudes which must at all costs in the future be prevented. That

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is why, one supposes, Mr. Wallace dragged the relations with Russia into the open air in the way he did. There may be risks in plain speech, in dragging things into the open; there are likely to be greater risks in letting them fester in cellars of deep silence.

In any case we cannot side-step or by-pass this issue of a firm and friendly arrangement with Russia. How are we, the thirty-odd United Nations, to resolve the misgivings on both sides? On what basic common interests can we build prolonged Russian co-operation? What has past experience to say on that point?

When Russia joined the League, she made it plain that she sought above all, and first of all, the security of Russia as a state. She was willing to base that security upon any workable system of mutual aid or reciprocal collective defense. Obviously, she was fully prepared to work with other states, whether "capitalist" or not. This preoccupation with political security was reflected equally in her conduct after September, 1939. When the German invasion of Poland began and it became evident that the German armies were sweeping everything before them, what was Russia to do? Watch the absorption of the whole of Poland and the Baltic Republics by Germany? It would have placed Russia in an impossible strategic position. She counterbalanced, as well as might be, the increasing strategic power of Germany by herself occupying Polish, Bessarabian, and Baltic areas. Clearly there was no "economic" motive behind this particular bit of territorial aggrandizement; the motive was political, military, survival of Russia as a nation.

This motive of political self-preservation is the one predominant motive of all states, socialist or capitalist. It is the motive upon which we must build in our relations with Russia. If we go on the assumption that Russia must become bourgeois, or "free enterprise," or adopt our particular form of parliamentary democracy, or that thirty bourgeois states must become communist in order to live at peace with Russia, we shall quite certainly fail. We should not only make it clear that we recognize the right of Russia to have the political and economic system she prefers, to go on with her communist experiment; that is only half the battle. We must make it clear also that we are ready to go to war if needs be to defend that right on her behalf; just as we should expect her to fight to defend *our* right to have the political and economic system we prefer. Unless we can separate the defense of this *right to national life* from questions of the kind of life which is best for a nation, this discussion which Vice-President Wallace has so boldly precipitated is likely to get lost in hopeless confusions.

An Editorial

TWO KINDS OF JUSTICE—WE PREFER OURS

WITHIN two days recently, the world has had an example that it may well take to heart. On March 1, the United States Supreme court reversed the conviction of the nazi propagandist, George Sylvester Viereck. It ignored the horrors perpetrated by nazism, it disregarded the fact that every Nazi is a menace to this country and to freedom, in order to uphold the right of every man to a fair trial under the very laws which nazism would destroy. On March 2, Georg Thierack, the nazi Minister of Justice, declared in Cologne that the administration of justice must be adapted to the policy of the state. He stated that the judges must be responsive to the policies of the Government in order "that judicial decisions shall not conflict with the will of the Government." Contrasted with the decision of the Supreme Court, this brazen declaration that there is no longer any law in Germany but the will of the gangsters proves again—if proof were needed—that those who abandon democracy forfeit freedom and security.

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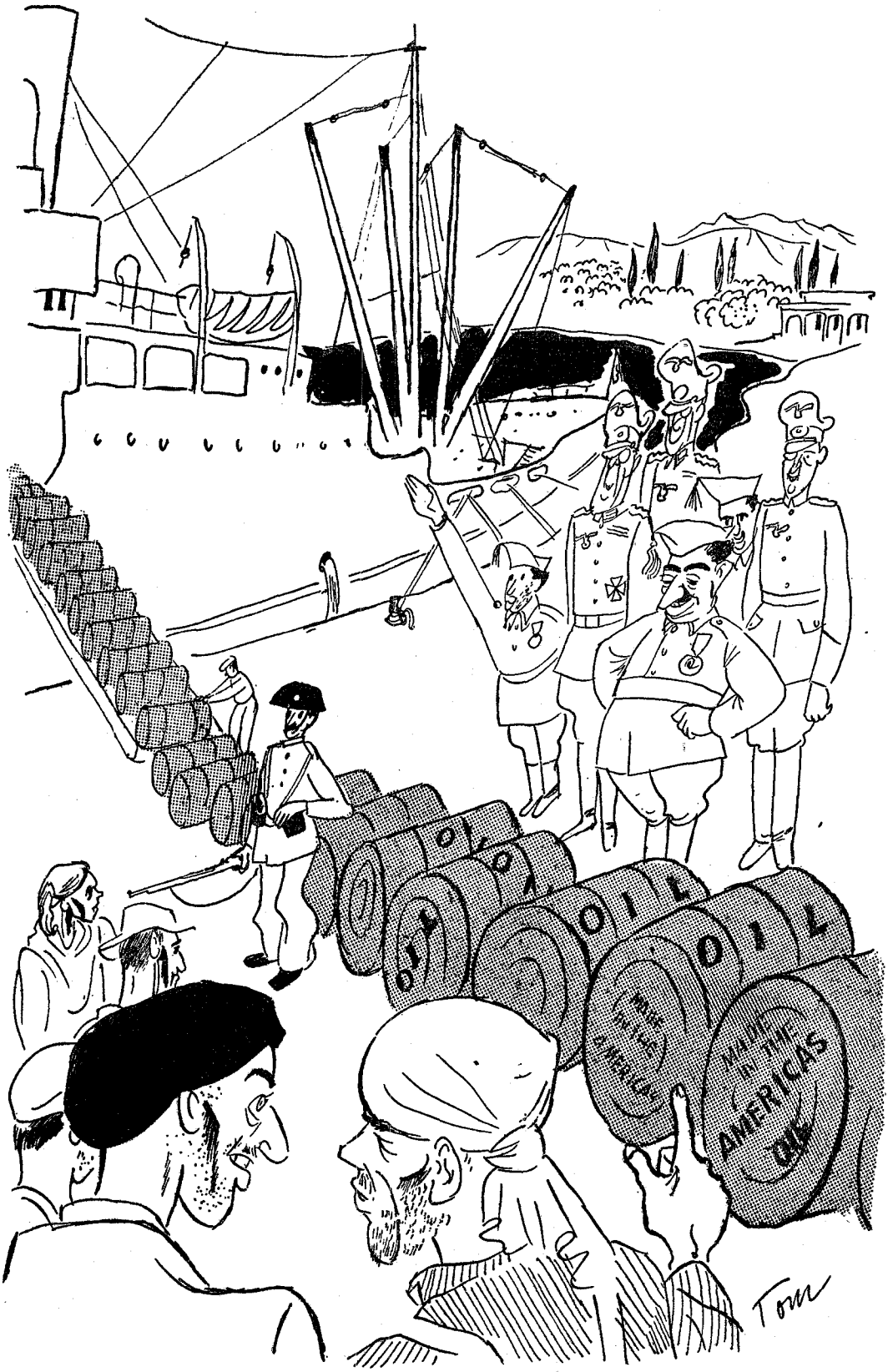

"¡Ridiós! que lastima que nosotros no lo podamos utilizár para comida."
"¡Sí! pero Hitler le sabrá sacar el jugo."

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GOVERNMENT AND PRIVATE ENTERPRISE

by
T. Swann Harding

IN recent years the relationship between private and public power has changed rapidly in this country. The trend has been toward an increase of the latter at the expense of the former. No stabilization of this relationship has occurred, and it is impossible so long as we are at war. War gives tremendous impetus to an increase in public power in all cases and in this instance we cannot begin to predict whether this trend will be sharply reversed after this as after earlier conflicts.

Generally speaking, the partisans of private enterprise have been naïve regarding the prevailing trends. In very recent months, businessmen and manufacturers have manifested this precisely as they did in New York City in December, 1941, when they advocated the right to work and the necessity for government economy at the same time that they violently attacked labor and pulled strings to get lavish government contracts. They especially deplored government expansion. About the same time, another group of the same sort met in Albany to insist upon the abolition of all "nondefense" agencies for relief, farm aid, and public works. They were jocular about the "underprivileged" and insisted that a "return to the American way of life," to "hard work, thrift, industry, ambition, and the habit of living within our incomes" would solve all our problems.

The businessmen and manufacturers demanded more "free enterprise" and less "governmental encroachment on private business." Though they insisted that we should "correct evil conditions and eliminate injustices," they said little about our long-time wastage of human resources. Nobody cared to define "nondefense" government spending, though all agreed that the nation must have war materials in abundance, yet without disturbance to profits and business as usual. But "we must put an end to government policies that imperil our democracy."

These demands and criticisms reveal that business and industrial leaders appear unaware of the fact that laissez faire and free enterprise are no longer the shibboleths of our civilization. In part, private enterprise abdicated; in part, it failed to enter fields that had to be cultivated, hence were left to government; in part, it sold its birthright for monopoly and price maintenance, forgetful of social responsibility and public service. Even the first World War placed the system of free enterprise in almost total eclipse while the system of unregulated private enterprise went out years earlier.

This is not the result of malicious intent or of impertinent governmental interference; it is one of world-wide forces set in motion largely by our consistent abuse and misapplication of scientific knowledge. We face a world of closely regulated economic life and of bargaining between labor and capital, between agriculture and industry, between government and business, and between nations and blocs of nations.

Government interference with business is no new thing. It forms part of our essential American tradition, brought into being at the request or demand of free enterprise. The Tariff Act of 1789, passed by our First Congress, had as its declared purpose "the encouragement and protection of manu-

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facturers." Infant industry had to have such protection to get started in this country at all. Protective tariffs are essentially systems of tax favors gratuitously granted to chosen industries. In such instances the public is reassured that it is patriotic to support home industry regardless of expense. Budding American capitalism did not want the Government to keep out of business. It wanted the Government to coin money and to provide credit through the Bank of the United States. Later the Government had to regulate note issue by private banks. The first Federal Banking Act, that of 1800, tended to favor creditors and marked the entry of government into the field of bankruptcy and business reorganization. Even the first patent law of 1790 established technological monopoly vested in the patentee.

Originally, the Government sought primarily to promote and implement manufacturing and business enterprise, at the request of both. But even during our early history it began also to engage in the production of goods and services. As private enterprise became ever more complex and powerful, increased governmental interference became inevitable. The common law also called upon common carriers and common callings to serve all equally. But new means of transportation soon began to call for other governmental interference. Regulation gradually spread to all industries which, for technical or other reasons, were inherently monopolistic. Again, in the effort to settle the West, the Government financed or actually constructed the highways, the canals, and the railroads. Other land grants came later to ensure settlers of educational facilities in agriculture. For this culminated in the grant-in-aid device adopted by Lincoln's Administration, by means of which the states received public land to turn into cash for the promotion of agricultural education and research.

State regulation of the railroads soon proved inadequate and in 1887, the Interstate Commerce Act was passed to provide regulation on a national scale. Three years earlier the Bureau of Animal Industry had been established in the Department of Agriculture because state efforts to combat the spread of contagious pleuropneumonia among cattle proved futile. The rise of large business units gave us the Sherman Act in 1890, for such units tended to be states within the state and millions depended upon them abjectly for a living.

"Trust-busting" was first attempted under a law that was said not to condemn mere size, per se, but which forbade collusive agreements with intent to harm competitors. The Clayton Act was passed in 1914 to check evil practices tending to foster monopoly, i.e., price discrimination, tying contracts, intercorporate stockholding, interlocking directorates, and so on. The theory then was that if competition could only be restored among small free units all would be well. But larger units were inevitable and technologically necessary. Then the Federal Trade Commission was established in 1914 to stamp out unfair methods of competition based on deceptive and obstructive practices, such as false and misleading advertising. Its control was formally legalized under the Wheeler-Lea Amendment of 1938. These actions were all taken in large part because free enterprise required government assistance in protecting itself against its own weaknesses.

II

SPECIAL groups also had to have protection from the disordered rapacity of private enterprises. The granting of Cabinet rank to the Department of Agriculture gave such protection to farmers in their capacity as consumer-producers in 1889. In 1906, the first Food and Drugs Act, and about the same time, the Meat Inspection Act began to afford protection to consumers as a group. The former was much strengthened and extended by passage of the Food, Drug, and Cosmetic Act in 1938.

When workers ceased to toil in their own homes or in relatively small plants under friendly bosses, they too required special protection. The common law, a product of the age of handicraft, frowned on collective action by labor as a form of conspiracy and even the Sherman Act was used against labor until passage of the Clayton Amendment. The Erdman Act of 1898 specifically forbade discrimination against railroad workers who joined unions, however. But the Railroad Labor Act of 1926 protected the workers' right to organize and the Norris-LaGuardia Act of 1932 limited the use

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of strike injunctions by Federal courts. The National Industrial Recovery Act of 1933 went still further and held that workers had the right to organize and to bargain collectively through their chosen representatives "free from interference, restraint or coercion of employers." Finally the National Labor Relations Act of 1935 formalized and fully legalized concerted action by union members.

Laws also had to be passed to govern the hours of women and children, and the conditions under which they worked. Regulation of the hours of men's labor began in 1895, while the Fair Labor Standards Act of 1938 established an eight-hour ceiling, fair wage rates, and weekly minimum pay. The Guffy Act, later declared unconstitutional, in 1935 first established fair wage rates for male coal workers and sought to regulate the physical conditions of their work, their hygienic surroundings, and protection from injury.

In 1913, additional regulation in the field of finance took the form of the Federal Reserve Act. Since then, other laws have passed which protect depositors and noteholders against bank insolvency and influence the levels of interest rates and the availability of credit in order to mitigate the disastrous effects of depression. Finally, investment and the stock market were brought under control of the Securities and Exchange Commission. By 1907, various state commissions had been created to establish minimum rates and service requirements for utilities. But big corporations readily eluded state control, hence Federal regulations were required. During the last war it was found necessary to have government operation of the railroads.

Various industries requested and received government interference for a variety of reasons. Some, like food, drugs, cosmetics, petroleum, natural gas, agriculture, and coal, were subjected to regulation for reasons of health, public morals, and the conservation of natural resources. Others, like agriculture, textiles, and coal, because they expanded too rapidly in the 1917-19 period and were desperately sick thereafter. In all cases the Government acted reluctantly and under compulsion. Some industries demanded and received government therapy merely because they insisted that their profit opportunities should be preserved in order to stimulate business in general by offering employment at good wages.

Meanwhile, many industries complained of their own weak competitive positions and asked direct government support in the form of special tax and other laws. Other industries had special technological problems they could not solve without government aid—agriculture, coal, petroleum, and gas among them. In other cases there were limits to known supplies of raw material, the fortuity of the weather offered a hazard, the discovery of new resources was too irregular, unregulated production brought waste, and it became necessary that government stabilize these industries.

After 1933, it became more and more urgent that the functional production of goods and services be increased rapidly by government compulsion simply because private enterprise, run for profits, had wholly fallen down on the job. The new activities included work relief, direct relief, aid to low-income groups, the promotion of old-age and unemployment insurance, the setting up of public utilities and housing developments, and the widespread distribution of commodities entirely outside the profit and price system.

So it is that private enterprise has increasingly sought security in stabilizing and controlling itself through government aid. Now the masses no longer trust it, but naturally look to government. Each war in which we have engaged has left the nation its heritage of increased government action. That is because war places emphasis squarely upon the functional production of the goods and equipment required for the specific job, not upon profits or anything else. War releases hobbled technology and science, though for destructive ends. During war, government controls industry through its purchases and maintains capacity production with full employment.

Private enterprise is too inefficient to supply war needs. It has always inadequately supplied peacetime needs, but it can perhaps be induced to do so. A peacetime market also can be sustained by government purchases if necessary. Thus abundant consumer goods can be provided for all, and capacity production and full em-

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ployment can be ensured, while our national income remains at high wartime levels.

We have developed already a social service government. It has borrowed money, not only to make war but also to process goods, sell commodities, create and distribute electric power, deal in real estate, conserve our natural resources, engage in warehousing, banking, shipping, and foreign trade. It stimulates production and consumption, affects distribution, supports prices, improves the income of low-income classes.

It is doubtful now whether the people are any longer willing to undergo the disastrous consequences of readjustment by deflation. There has been one depression too many. Government has now developed techniques of monetary and fiscal control that enable it to disregard the financial restraints bankers formerly imposed upon it. Our Government now absolutely controls banking and credit. It has also had to extend credit to individuals or to groups which could not procure loans from the private banking system.

For instance, the Farm Security Administration makes what are essentially non-collateral loans for rehabilitation to pauper farm families which have only good character to serve as security. Some nine hundred thousand of them have been helped, and they have paid the money back faster than the stipulations required. Experience has shown that 87 per cent of all loans will be repaid and that the out-of-pocket cost to rehabilitate such a farm family is only $75. For these families increase their net worth by 35 per cent in a very short time. They improve their property, begin to produce their own food and livestock feed, and increase their production of poultry, livestock, and dairy products. They pay up back taxes, buy land, and pay for that. As it costs $350 at least to keep such families on inadequate relief for a single year, these loans, which bankers would not make, are socially beneficial in a big way.

Again, after six years of operation, the Rural Electrification Administration enabled two million farm families to have electric power which private enterprise had denied them as unprofitable. That was three times the number of families that private utilities had been able to serve in rural districts. Here, too, the borrowers paid back faster than they were required to do, and every cent loaned will almost certainly be repaid. Thus again private enterprise failed to do something that the Government did easily and well. Profits to the communities served were large.

III

HOWEVER, this does not justify us in regarding business and government as separate and mutually antagonistic entities. Actually they are parts of the same whole. They have long been undergoing more complete amalgamation, and the latter has gained simply because the former has lacked farsighted business and industrial statesmanship. Meanwhile, many private enterprises, like the telephone company, are so clothed with public interest that they have acquired what is essentially governmental status. They are huge bureaucratic organizations which make charges closely akin to tax collections.

Our transportation systems also are essentially public enterprises. Indeed the Government paid for our transcontinental railroads with gifts of land. When the pauperized roads could no longer get gifts, they came to the Government, hat in hand, for loans at low interest rates and on non-commercial terms. The Government built the canals and the highways; it subsidized the merchant marine and the air industry.

No enterprise or institution can be better than those who operate it. The Government has usually been forced to undertake projects that were too unprofitable or too difficult for private enterprise. Yet we have usually judged private enterprise by its best examples and the Government by its worst. Today, the conception that the Government is a mere regulatory, policing, and taxing agency, is antiquated. It has been rendered obsolete by scientific progress and the results thereof. In modern technological society government is the nation's common instrument for the expansion of its social and economic welfare in those spheres wherein individuals and private enterprise cannot achieve equally effective results. We should cease quibbling and recognize this basic fact once for all.

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What CHANCE FOR FREE ENTERPRISE AFTER THE WAR?

By John H. G. Pierson

IT is unthinkable that after this war a situation will again be allowed to exist in America in which men and women will be unable to find jobs. But is there in fact any possibility that we can prevent the return of unemployment without, in the process, digging the grave of free enterprise? This question may seem indecent to economic prudes, and funny to planners committed to rigid interpretations of planning. On the other hand, all over the country, and in the armed forces, wherever located, there are people who really would like to know the answer.

The answer offered here is in the affirmative. Full employment need not preclude free, competitive enterprise. But that is not to say that free, competitive enterprise will be saved by giving pep talks or invoking "the American way." It won't. Nor will it be saved by merely reapplying, more vigorously than before, the economics of the 1930's. Many economists seem to feel that the political problems involved in securing a full-employment economy after the war present a large question mark, but that the economic problems have all been solved. Surely the latter part of this proposition is not well founded in fact. At least if encouragement to economic individualism is supposed to be part of the picture, the last word has not yet been said.

The question at issue, so far as domestic public policy is concerned, is the proper relation between public investment in the broadest sense, control over aggregate individual purchasing power—or, better, aggregate consumer spending—and antitrust action. The trouble with the usual public investment approach is that it does not show how all the needed jobs can be assured without creation of an environment hostile to traditional forms of enterprise, and does not accurately control purchasing power. Also, on the theoretical side, it needlessly assumes that, when total investment and total saving are out of line, investment is the one that must change. The trouble with much of the consumer-demand theory is that it overlooks or minimizes the power of unregulated monopolies to prevent production and employment from expanding in step with expanding demand for commodities and services. The trouble with almost all current formulations is that they pay too little attention to the possibility of applying the underwriting principle in economic affairs on a broad national basis. Or else, if they advocate this principle, they limit economic flexibility by underwriting individual markets one by one rather than the national market as a whole.

If these contentions are correct, then it is still worth while to spend some time on the fundamental or strategic factors in economics. Work must be done on the details of their application in the post-war world, and some of this work as it relates to the ideas contained in the following pages is now going on in Washington. But the present discussion only deals with general alignments among the fundamental elements.

II

NO one will deny that before the war we had already moved far away from nineteenth-century approximation of laissez faire. It would be somewhat academic to try to measure the further distance we have traveled down that road since Pearl Harbor. As a result of priorities, allocation of men and materials, price controls, and so

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forth, many small businesses are going to the wall, monopoly threatens to increase, or actually does increase, and the rates of operation of our going production enterprises are being more and more regulated by government. This last is an evident necessity, but it narrows the scope of free enterprise, at least for the duration.

Now the advocates of planned production take the position that, even for peace, the competitive system has reached the end of its usefulness and must be superseded. For the sake of the argument, let us make some concessions to that point of view. At some future date it is conceivable that competition, as we have known it, may practically disappear. This is debatable. And in any case, even if it were not, the date could hardly be predicted. However, the advance of modern technology has tended to concentrate production in larger units, and these have very often acquired the characteristics of monopoly or partial monopoly and created a need for regulation in the public interest. The advantage of size—at least, in many cases—is greater efficiency. The penalty is the disappearance of competition as the laissez-faire economists conceived it. It is not a foregone conclusion that technology need always favor bigness, any more than that technology is always the explanation where bigness exists. Moreover, certain services and also certain commodities can never be produced on a large scale. Nevertheless, the possibility arises that at some future date mass-production methods will have driven individualistic competition from practically every corner of our economy. In that case, public regulation of production is likely to become so general that it clears the way for systematic, over-all production planning.

The only reason for tentatively sketching this distant perspective is that it helps by contrast to define the post-war foreground. If we finally do come to over-all production planning—in a country with so deeply ingrained traditions of individual enterprise and competition—the explanation will most likely be technological. This can be ventured because public opinion hardly ever runs ahead of the facts; a lag is more to be expected. On the other hand, the explanation for the current trend toward administrative controls is altogether different. Obviously the war is responsible, not technological change. If this is so, then it reinforces the usual presumption (and the findings of certain public opinion polls) that most, or at any rate, very many Americans will want to go back to a free, competitive economy when the war is over. Barring the possibility of an extremely long war, or an outcome destructive of all the conditions that permit choices to be made, economic individualism will again make a powerful appeal.

How much economic individualism can post-war America stand?

No quantitative guess will be ventured here. Presumably the maximum possibility is somewhat smaller than the maximum possibility was before the war, because of technological progress in the meantime. But the real issue is whether any approximation of the maximum possibility can be made actual, and if so how. The indispensable condition for stability, democracy, and freedom after the war is sustained full employment. Is there any ground for supposing that we can have full employment in post-war America without accepting a far larger measure of governmental administrative control over our production system than is required by strictly technological considerations?

In certain quarters the tendency is to give up on this question without a struggle. A case in point is supplied in a newsletter put out by a leading firm of management engineers. The authors correctly diagnose our central post-war problem: "Our fundamental problem is how to create an industrial system that will insure a continuous production and exchange of goods and services that people need, so that all who want to work may have the opportunity to do so and the money with which they can buy all the things produced by other workers." But they then propose as a solution a system of planned production, with details unspecified but with the following general characterstics. "Its keystones would be: planning and budgeting industry operation, co-ordinating it nationally, creating and maintaining co-operation between individual companies and between labor, management, and stockholders, and having necessary governmental support." In other words, what they are suggesting is a further

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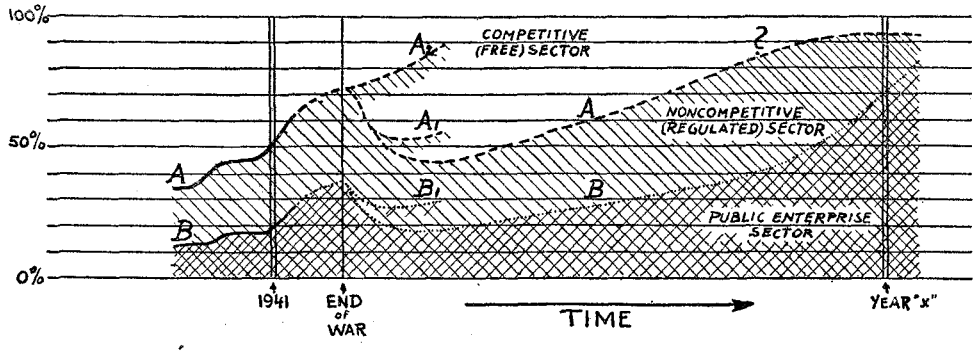
departure from individualistic methods of determining individual business rates of operation. This is probably also the view of many other Americans who are pessimistic about the possibility of getting full employment any other way. The view in question assumes that we cannot hope to secure co-ordinated control of the over-all volume of production and employment unless we establish some form of co-ordinated control of individual production quotas.

Without minimizing the difficulty of the problem or saying that competition can revive where the basic conditions for it have gone and cannot be restored, it may be pointed out that we have never had a program capable of combining full employment with a technologically given maximum of free competition. The two fundamentals of such a program would be a monetary-fiscal policy able to keep up the effective demand for commodities and services, and a monopoly and competition policy oriented to technological realities.

Both are essential. Neither one is sufficient without the other. Were we to try to sustain full employment through monetary-fiscal instruments alone, the attempt would fail. In a regime of pure competition we could probably control the over-all volume



The diagram on this page illustrates the discussion. The space between the base and the top line represents 100 per cent of all production in the economy, regardless of changes in the absolute size of the total.

Curve A is an (inverse) index of the degree of free competition in the system—or, more loosely, it is a line of demarcation dividing free enterprise from regulated enterprise. Above lies the sector in which workable competition prevails, so that private enterprise can operate relatively free of government interference and regulation. Below lies the sector where monopolistic tendencies are strong enough to make workable competition impossible, so that the public interest is served if government steps in and controls rates of operation, by regulating prices or in some other manner.

Curve B, lower down, divides regulated private enterprise from Federal, state, and local public enterprise—the sector where government takes direct responsibility for the production of services or commodities. Under pure laissez faire the regulated sector would be absent, curve A (or B—the same as A in this case) would lie close to the base line of the chart, and everything but the so-called primary functions of government would fall in the free, competitive sector. At the other extreme, if we were to develop an over-all national system of planned production, curve A (and perhaps curve B) would about touch the top line of the chart.

The post-war extension of curve A is drawn to define the *maximum* scope of competitive enterprise as determined by technological considerations. Even so, at some future date (year "x") competition as we have known it may practically disappear.

But the main question is whether, after the war, the free, competitive sector can in fact be kept as broad as the technical facts allow. If we develop industry quota schemes, the course lies along A_2 rather than A. If we merely fail to have adequate policies of positive support for private initiative, the course lies along A_1—and, for full employment, postulating here that the area between the base line and the top represents 100 per cent of a *full-employment* volume of production, B_1 must then presumably take the place of B. (Whether a really massive fill-in program would tend to be self-correcting or cumulative is not considered here.)

If we peg total consumer expenditure and establish a technologically valid policy for monopoly and competition, the course should run close to A, with minor oscillations creating corresponding oscillations around B due to expansions and contractions of the secondary program of public work projects.

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of production and employment rather accurately by controlling the size of the total demand for products, first taking into account any expected changes in costs. But, obviously, this could not be the case if monopolies were able to neutralize an increase in demand by raising their selling prices. On the other side, were we to put our trust entirely in a system of governmental regulation of individual rates of operation, and were we willing to push such a system of administrative controls to its logical conclusion, we could secure full employment, but only by sacrificing free production for market.

III

A MONOPOLY and competition policy oriented to technological realities would have the following characteristics.

It would make proper distinctions between areas in which monopolistic situations are "natural" (inevitable for technical reasons) and areas in which monopolistic situations are "artificial" (based on unnecessary unfair restraints of trade).

Then, it would deal adequately with both types of situation. It would support and enforce competition in lines of production where competition has a real chance. For instance, it would help little business to borrow money on fair terms, make the patent system encourage innovation rather than buttress intrenched positions, and vigorously suppress restrictive and collusive practices in general. And at the same time, it would regulate the inevitably monopolistic lines of production as far as regulation was necessary. That does not mean that perfect efficiency in terms of low-cost production would result or be considered attainable or important. Rather it means that the new public utility rules (as they might be called) would be designed to prevent such raising of prices and limitation of output as might defeat the full-employment objective or interfere seriously with a balanced use of the nation's resources.

All this presupposes that it is or might be possible to distinguish areas that are inevitably monopolistic from areas of workable competition. Presumably that can be done with a reasonable degree of success if the available data are assembled and studied, in the light of modern economic theory, with the objective clearly in view. The sources for data include, for example, the case studies made by the Antitrust Division and Federal Trade Commission and the findings of the T.N.E.C. Monopoly Investigation. Out of such materials a practical set of criteria can probably be constructed for identifying workable competition on the one hand and monopoly (monopoly in the public sense rather than the narrow or pure sense) on the other. Our knowledge of the contents of these two major subdivisions of the American economy will then amount to more than a mere enumeration as of a particular date. Our knowledge will include, in addition, an understanding of the main distinguishing characteristics, with the obvious advantage that this will facilitate reclassification whenever reclassification becomes necessary.

A given industry may for a while possess the characteristics of competition, and be subject to the rules of the game applying to competition, but later on, as a result of technological progress, that industry may have to come under the different rules applying to monopoly. The criteria will help show when this transition is required. Thus they will facilitate an orderly progression of our economy, based on technological realities. A slight variation of this procedure also might be worth considering. There will doubtless be borderline cases in which the technological picture is not clear. In these cases it might be best to leave the choice between operating under rules of competition and under rules of monopoly to the industry itself. Even in certain intrinsically less puzzling cases the choice might be left to the industry.

For example, an industry might be asked to choose between restricting the activities of its trade association to the point where exemption from scale-of-operations regulations could legitimately be granted and, on the other hand, permitting its trade association to suppress competition and in that case subjecting itself to the regulations in question. Any resulting losses from the standpoint of not securing the technologically possible maximum of free competition might be more than compensated by the gains from the standpoint of retaining

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more free choice. This could, however, be true only where a choice thus registered represented a fair consensus of the business men affected, and not a vote dictated by a powerful minority in the industry. And of course, it also presupposes, to begin with, a set of monopoly regulations capable of accomplishing what it is necessary to have them accomplish.

IV

IT is now time to turn to the other essential element, a monetary-fiscal policy able to keep up the effective demand for commodities and services. For only through such a monetary-fiscal policy can government give competitive enterprise its maximum support.

The dominant school of thought on this subject is preoccupied with the problem of investment—ordinarily interpreted to mean production of capital goods, including consumers' capital goods such as houses. Much has been said in recent years about the need to make up for deficiencies in private investment by expansion of public investment—which, again, may in part take the form of facilities to provide free services direct to the consuming public. In some quarters it is estimated that we must be prepared to have a public investment program after the war ranging in cost anywhere from zero up to twenty billion dollars a year, or else give up the idea of full employment.

On the whole, this is not, in the opinion of leading spokesmen of the investment school today, a matter of "priming the pump" to get things started. It is a matter of filling up gaps as they occur. Naturally the gaps do not always have to be connected with *investment* activity, or filled with public *investment*. While that is ordinarily supposed to be the case, other possibilities are also taken into account. More broadly, what is advocated is the filling of any gaps in private *employment* by means of expansion in public *employment*. More broadly still, what is suggested is that government assume *responsibility* for specific employment-giving production activities to the extent that private initiative falls short. It is of course true that public construction expenditures frequently represent payments for work supplied by private concerns on a contract basis, in which case government is not the actual employer. But in any case the essential idea is that government closes up the gaps.

The arguments advanced for this type of policy have rendered two great services. In the first place, they have stressed the fact that governmentally initiated production activity must be used as the final balancing item to maintain full employment. It is hard to see how anyone who supports the objective of full employment can quarrel with that. It is clear that the indicated principle must apply during the stresses and shifts of the immediate demobilization period. Moreover, it must apply at other times as well. For example, some fluctuation would be bound to occur in the level of private employment even if the final markets for the products of private enterprise were stabilized. Because of changes in the rate of introduction of new inventions, fluctuations in the rate of replacement of fixed equipment, and certain other factors, the capital goods industries in particular would tend to be busier at some times than at others even if the sale of consumer commodities and services were proceeding at an uninterrupted and steady pace. The further merit of the gap-filling approach to monetary-fiscal problems is that its advocates, looking around for large chunks of activity with which to fill large gaps, find themselves supporting (more strongly than ever) an extension of public enterprise or responsibility into certain fields in which it is indeed overdue.

There are fields into which government has not yet gone and should in future go, or into which it should go to a greater extent than it has hitherto, simply because certain badly wanted services will otherwise not be supplied. This ought not to startle anybody. Roads and education, to mention but two historical examples, were once considered to belong in the province of private enterprise. Times change. Looking ahead to the kind of peace we want, it hardly seems open to question that government should lay out very substantial amounts to help clear our slums and bring decent housing to the people, provide some approximation of adequate medical care for everyone, move ahead toward universal

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educational opportunity, and conserve and develop the natural resources of the land we live in. Moreover, mention of these particularly obvious fields for public activity as well as expenditure is not intended to deny the existence of others, if the need can be fairly shown.

But precisely here is the weakness of the gap-filling approach, which tends to blur the line between need for products and need to create jobs. Normal or non-emergency public activities should in most cases go forward unconditionally. It is not a question of looking to see if there are employment gaps that require filling. It is enough that the end products of these particular public activities are considered by most people to be desirable for their own sake. On the other hand, emergency public works or work projects stand on a different footing. Of course, such work as serves no useful purpose should be barred in any event, and the authorized projects should be carefully selected so that the end products are as valuable as possible. But that does not alter the fact that in these cases employment provides the real justification, not our need for the end products.

Unfortunately, the gap-filling approach, pure and simple, invites confusion of this distinction. Its adherents are tempted to overplay the intrinsic usefulness (usefulness of the end products) of this or that public activity which can, to be sure, fill gaps, but would perhaps not gain general acceptance on that basis. Their argument rings slightly hollow. Under analysis it is found to imply the existence, year after year, of a tremendously broad zone of indifference, a zone millions of jobs and billions of dollars broad, with regard to which it is supposed to be practically impossible to say whether public activity is preferable to private enterprise or vice versa. This may conceivably be so, but, considering the magnitudes involved, it taxes the average man's credulity. Thus in one way it may even hurt a cause for which in other respects the same persons have fought with skill as well as devotion—the cause of the public services that are genuinely needed.

The difficulty arises because the gap-filling school has not devoted enough attention to keeping the gap from opening up in the first place or has not found the right means for the purpose. Many adherents of this school wish to encourage private initiative and make various suggestions as to how it should be done. However, their main concern is to show that gap-filling public investment is itself an encouraging rather than a discouraging factor. To this end they point out that the investment is to be limited to creating products not sold in competition with the products of private enterprise. With varying degrees of emphasis, depending on the extent to which they retain a faith in the pump-priming theory, they add that such public activities stimulate private enterprise indirectly as a result of their demand for raw materials and equipment. Finally, they lay particular stress on the so-called multiplier effect—the consideration that investment (in this case public investment) puts out purchasing power by way of its payrolls, which in turn helps enterprise as a whole find markets for its products.

Much of this, so far as it goes, is perfectly sound. If the pump-priming results anticipated by the more optimistic members of the school could be counted on, it would even mean that public investment could be permitted to taper off after a while because private enterprise would expand as a result of the stimulus received from the original increase in public investment. But that possibility—no stronger word is justified by the record—does not meet the ultimate objection. For it would still be true that, *during* all fill-in periods, the free competitive sector is narrower than it would be if the economic environment supported competitive individual enterprise up to the technologically given maximum. This is the issue that is never met by any program of filling gaps.

V

CLEARLY the country needs a policy of positive support for competitive enterprise as a whole, and lip service to that idea is not enough. Furthermore, the policy should be of a fundamental and practical nature. Most of the measures suggested, whether by the public investment school or by the opponents of government intervention, are either good but in themselves inadequate

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(for example, removal of taxes that deter enterprise) or else of highly doubtful effectiveness and in any case socially undesirable (for example, wage cuts).

By contrast, a fundamental and practical policy would include, with other encouraging measures, a direct and unequivocal support of aggregate consumer demand. It would peg this demand at levels sufficient to provide a market for the output of commodities and services private enterprise can bring to market when it is operating on a scale that leaves no employment gap to be filled. Consumer demand would not in the last analysis be supported indirectly by way of the purchasing power put out by a gap-filling public investment program; the objection to that has just been noted. Rather it would be supported and controlled directly, by having government give and stand back of a guarantee of aggregate consumer spending.

To begin with, government would estimate, on the basis of wage rates and other factors, the amount of consumer spending needed to take next year's full-employment output off the market, and would peg the size of the consumer market as a whole by underwriting the total estimated in that way. This would amount to opening up the draft to keep the fires of enterprise burning. Without favoring one enterprise more than another, it would create the environment in which business initiative as a whole would have the opportunity to show what it can do. To describe this still differently, it would provide a full-size framework for private enterprise.

A radio manufacturer, for instance, would not have his own market underwritten, but, since he would know for certain that consumer demand as a whole would not shrink, he would benefit in proportion to his competitive ability to attract customers. An industry like the steel industry, in turn, while it would necessarily still face the competition of aluminum and magnesium, could count on a steadier flow of orders than is possible as long as nothing secures the aggregate sales of consumer goods embodying or produced with the help of steel, aluminum, magnesium, and all other materials.

Whenever full employment was not achieved as a result of the inducement given by this guarantee, government would expand its flexible program of public work projects. Thus it would indeed fill any remaining gaps—but with the distinction that the gap-filling program would here be the final line of defense against unemployment, not the front line. Finally, government would see to it that, by adjustment of the full-employment volume of payments to income thus brought about, a total of consumer spending emerged that was neither in excess of nor less than the amount guaranteed. This it would do by subsidizing or taxing (or lending to or borrowing from) consumption directly, if and as necessary.

Such a policy would not correspond to the view that total saving must always govern total investment. Those who insist on the need for public investment hold that total investment can be allowed to decline when we achieve a more equal distribution of income, since that will weaken the tendency to save, which is of course strongest in the upper income brackets. In the meantime, however, they submit that we have no reasonable choice but to make investment outlays equal to the total of the voluntary savings accumulating at a full-employment level of income. But it is hard to see why that must necessarily be so. We might equally well cut down total saving, inasmuch as that can be done without interfering with the individual's right to save. Suppose, for example, that a tendency toward oversaving required government to subsidize individual consumption, under the consumption-pegging policy, in spite of the existence of full employment and a full-employment volume of money income. In that case, the funds for the subsidies could in whole or in part be borrowed by "tap issues" directed at the savers who had found no investment outlets for their surplus incomes.

So far as expense is concerned, such a program would *raise* the costs of government to the extent that an oversaving problem as such made consumption subsidies necessary for fulfillment of the guarantee. On the other hand, it would *lower* the costs of government, as against what a full-employment program by the straight gap-filling method would involve, to the extent that the incentive provided by the

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guarantee cut down the size of the employment gaps to be filled. The *net* effect upon costs might well be favorable, provided the program were linked up with advances on other critical fronts in our economy. The monopoly and competition policy already suggested would help translate the inducement of the guarantee into actual private production and employment, and would thus limit the expenditure for public works. A progressive system of taxes and a wise strengthening of our social insurance system to meet the needs of the aged, the sick, and persons handicapped in various ways—the common man's charter to which, as also to adequate labor standards, America already stands morally committed—would favor the spending of individual income and therefore minimize the oversaving tendency.

If the above analysis is correct, then what is needed next on the monetary-fiscal side is a working out in detail of the problems of mechanics involved in the direct adjustment of total consumer spending to guaranteed levels. There are two halves to this. A satisfactory way must be found to support consumer spending when, full employment notwithstanding, it tends to fall short. To date there has not been enough discussion of the problem to indicate the relative merits of tax reductions, tax rebates, special "national income security payments," and other techniques (including timed bond redemptions in the early postwar years) that might be used for this purpose. Further exploration should likewise suggest the most acceptable way of keeping consumer spending from exceeding the guarantee. Whenever that tendency is uppermost rather than the other, the suggested policy requires that the excessive demand be removed from consumer markets. That will avoid a price inflation danger such as we face today.

It will be seen that a monetary-fiscal policy along the indicated lines rests on the following argument. In general, the volume of public investment, including public services to the consumer, should be decided by judging the end products of the various government enterprises on their merits. To be sure, some public investment is needed for another reason—as a final balancing item to offset temporary declines in private investment. Ordinarily a rather small amount should be sufficient under the latter heading, although at times when an abnormally rapid physical transformation of the economy is under way, as will be the case in the demobilization period after the war, the amount may be fairly large.

The volume of private investment over a period of years should be allowed to work itself out as a result of the progress of invention, the rate of interest established, and the demand "derived back" from the demand for consumer commodities and services. Aggregate savings should be cut down to the level of aggregate investment as thus determined by its private and public components. The rest of our potential production energy, up to the level of full employment, should be thrown into producing commodities and services to be bought by individual consumers in the proportions they think best. To make this possible, government should underwrite aggregate consumer spending at appropriate levels, which can be done right away without waiting for income to be distributed differently.

VI

AFTER this war the first condition for justice, and even for peace itself, is that we make full employment the cornerstone of the American economy. Returning to the opening question—full employment will not necessarily permit us to follow along the trend line of maximum opportunity for free, competitive enterprise. But neither will it make that impossible. We ought to be able to combine full employment with a maximum of free enterprise, if we want to. The requirement appears to be a technologically valid policy for monopoly and competition linked up with a monetary-fiscal program centered on a pegged total of consumer expenditure.

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THE BANK OF NATIONS

AGENCY

FOR

WORLD PROSPERITY

By Hans Heymann

BOOM or crash? What will happen to our abused and battered world when the war is over?

The wishful thinkers, of course, predict the most fantastic boom period the capitalist system has ever seen, a kind of ready-made "golden age," something like "eternal prosperity" in a reconstituted free enterprise society. They think in terms of a static venturesome society and believe that a country plentiful in wealth—man power as well as production means—can maintain eternal prosperity through public national works, relief programs for the unemployed, etc., and "free enterprise, released from the shackles of annoying government interference." In brief, they dream of "full employment" and "full production," procrastinating to the point where all significant expansionist, international planning measures are put off to the time when the war is over. This yes-man melody sounds like a lullaby, sweet and comforting; it has a familiar ring and a convenient theme.

The nay-man melody in minor sounds gloomy and pessimistic. It is played on the Ribbentrop flute that after this war, the United States will suffer the worst breakdown of all times, followed by a lasting depression, a permanent crisis, compared to which the crises of '29 and '31, and the cloudy thirties were child's play. Again, the conception is static and not dynamic. Capitalism, they believe, is faced with a dead end. "America has reached the frontier," and "the transition from her present capitalism to her future socialism" will be most painful, in fact, interrupted, if not disrupted, by social upheaval and dictatorial excesses.

There is a third group, believing in a short-lived post-war production boom, followed by a crash and a long depression. The political horizon of this group is colorless. But is it closer to the truth by virtue of having accepted part of the fantasy of the other groups?

One of the main problems of our time is to cushion the excesses of business cycles; to make our period of reconstruction become progressively prosperous; to find and put to use the great shock absorber of our political economy. If a solution to these challenging and vital questions of our age is included in any national concept, the latter must be viewed in a broad universal perspective or it is inorganic and will not live. Managerial policy, or control, or planning cannot be avoided, but it must be conceived in a joint national *and* international "dynamic" form. The attitude of abstention (negative isolationism) is as rotten as imperialism in its many modern manifestations.

To the degree to which nations and governments will agree to participate in an international or supranational political economic organization, to that extent a return to free enterprise within nations may be made possible. To that degree (in the transition period), a "controlled *de*control," (as J. B. Condliffe terms it), may be attainable.

Governments may have to cover or to

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enter fields that private finance cannot assume without endangering "other people's money." There are credit and other risks that only governments can bear. But a true renaissance of social-minded and socially conscious private initiative and enterprise can come about only if we create the supranational centrifugal pump and accumulator of wealth as well as the generator-distributor of material and human energies, supported by national power stations and their over-land and air nets of power distribution to bring the wealth of our earth to the needy classes and peoples.

We realize that during war, power relations are shaped by battles. But after democracy has survived, the free and liberated peoples of the world must reconcile the geodynamic laws of our globe with the democratic principles within and above nations. Regional power groups, emerging from the war, must be integrated into a just geopolitical world order. Only an organically functioning world can apply a post-war shock absorber effectively.

Recently Mr. Milo Perkins, Director of the Board of Economic Warfare, said in an address that should be read by every citizen:

> Within your lifetime and mine, men have entered an era dominated by the machine and the test tube. If we take all that can be produced at the end of this war and divide it among the people who will then be alive to share it, we shall be within reach of a very good standard of living for the first time in all history. That will be the most important material thing that's happened to the human race since the discovery of fire and the invention of the wheel. . . . The job of the future will be to build up a mass consumption great enough to use this mass production. That will require a bold and daring use of long-term credits by every enlightened government of the world.

Mr. Perkins has hit the nail on the head. A bold and daring use of long-term credits will produce the shock absorber. But what form will it take? If we apply all our intellectual honesty and sincerity to the task of positively winning and preserving the peace, we must truthfully admit that any program of war production is unproductive in the economic sense. It may be true that wars sometimes purify a rotten situation, that they put inventive genius to work to create progressive methods of production and war efficiency which otherwise would not have been created at all. It may be true that a part of these war achievements can be usefully employed after the war. Still, we must honestly admit that by far the greatest part of war efforts and investments are unproductive and completely lost; a burden which is hard to bear by the generations which follow.

II

IT is, therefore, a vital question that during the war extraordinary measures are taken to preserve a certain amount of economic strength until after it. The vain hope of obtaining adequate reparation payments after a destructive world war, the danger of famines, epidemics, and economic disturbances, the necessity of transforming armament production into civilian production, impose grave hardships upon victors and vanquished alike.

And in the transition period, our problem is not one of a short boom to fill our empty supply basins and consumption needs, but one of counteracting a lasting post-war depression, that grows worse and worse after every year. Even the Nazis have recognized that during the war extraordinary measures must be taken to make up for the losses. Their ruthless policy of mass exploitation and shifting of industries and workmen all over the Continent cannot be successful unless it meets with voluntary cooperation on the part of the people. Subjugated, hungry, and desperate peoples do not think of constructive effort; they have only one thought in mind, to become free again. But, in taking extraordinary measures now, we must be realistic. We must not indulge in an unlimited post-war spending spree. We must build a bridge between public and private investment within and among nations.

Economists have now begun to warn America that post-war federal debt must not expand without limit; that if capitalist groups want to save a sound amount of free enterprise, they must reform and revive the dynamic element in it. And that element they consider to be private investment. That must be repaired and put into operation again. All this admitted, we must

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not forget that the success of national budgets, national investment, and national credit expansion, in the post-war era will depend entirely upon international credit reforming, managing, and expanding. Our considerations for post-war national budgeting cannot and must not be restricted to national boundaries alone. The national budget must become part and parcel of the world budget.

The American program must be concerned with (1) co-operative unity of action, comprising most of the Western Hemisphere and the United Nations; (2) the supplementation of America's armament program with one of genuine production, distribution, and consumption, which in turn depends upon (3) her program of active economic foreign peace policy.

In addition to all-out war measures much can be done to prepare for these principle endeavors. While, during the war America's national income keeps rising to 120 billion dollars or more, she must prepare to balance gradually the unproductive (pure war) part of her production by a constructive program for the Western Hemisphere and the outer world. We know that priorities and allocation of war supplies do not permit a non-war-essential program for the duration. But that program can be anticipated by wise statesmanship now. This can be done, first, through negative measures, such as the curb of inflation by means of price ceilings, organization of supply, useful and economical allocation of goods and labor not required for war purposes, forced saving, etc. But this must also be undertaken with positive measures such as increases in crops and in the production of vital foodstuffs and raw materials, the production of new machinery, ships, and non-luxury goods of all kinds, setting up of inflation reserves against exhaustion of plants and machinery as protection against economic shocks. With stabilization of credit and reform and expansion of investment the war effort must be bolstered.

The stronger the country is materially, when the war is over, the less it will be haunted by inflation and a consequential increase in the price level; the stronger it is physically, morally, and psychically, the better it will stand the post-war strains and trials. First of all, America must get rid of the static concept of national economy. She must overcome the idea of an "American frontier" as a terminus to her capitalist system. Even the Nazis, the "national socialists" so-called, are not thinking in such limited terms. They are striving to impose their "national" socialism upon the world from above.

If America is to live on in the spirit of her forefathers and to uphold their ideals of liberty and justice for all, if America is to find her soul, she must replace the idea of an "American frontier" with the ideal objective of a unified sphere of the entire globe. But in order to reconcile ideals with practical action, America must find and establish a universal mechanism that will function so exactly and justly, that she will never again lose her balance. She can only arrive at a just equilibrium between mind and body, between moral law and practical application, if the greatest human ideals, individual liberty and equality under the law, are safeguarded by the universal mechanism of collective security. Such universal collective security must be economic as well as political. The Fathers of the Constitution did not exclude economic justice from their Bill of Rights; but they did not foresee that America would ever arrive at a situation where economic injustice could become an insult to the moral law.

A world-wide Bill of Rights is necessary to do away with economic injustice. Liberty and justice are expensive indeed. And, in the words of Mrs. Eleanor Roosevelt, "we must pay the price, whatever it will be." The present American generation will have to write that precious document. There can be no human rights without the obligation of living up to them. Liberty can only be had at the price of discipline. And in order that that discipline is not abused for human ambitions of power, America must anchor it in the best attainable supranational machinery. This planning, organizing, controlling, managing supranational apparatus will make Americans feel free not in spite of, but because of a certain degree of discipline. It will help them carry the burden of social emancipation and civilization, and will make them free to devote themselves to art, culture, religion, science, friendship, and all the beauties of life. Once the social needs and wants of humanity are

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justly cared for and safeguarded on a universal scale, the spiritual man will be reborn and the contradictions between ideals and conduct eradicated.

The international program, as Mr. Milo Perkins has lucidly recognized, is one of a bold and daring use of credits. First, however, the question arises, who shall be the executor of the mechanism of the future free democratic world order? From the just economic viewpoint, it would be ideal if all nations or groups emerging from the present struggle could participate in that world-wide organization right at the start.

Since China and Russia have been included in America's lend-lease agreements with England, a true partnership of these four supporting pillars of the future democratic world organization has come into effect. Mr. Walter Lippmann is right in saying "that in a war of survival the realities of international affairs are infinitely stronger than theories, ideologies, sentiment, and prejudice." And for the peace to come there is no combination that could more effectively contribute to the reconstruction of the world than this quadruple alliance. America's alliance with China forms the bridge over the Pacific and the open door to East Asia. It is the best reassurance against a possible war between the yellow race and the white. And the alliance with the U.S.S.R., the greatest land power on earth and the wealthiest in man power and resources, can keep Europe and Asia in check and will be indeed indispensable in building up the world in a truly social spirit. But these pillars must have their capital and their cupola to form the dome of the entire free world order. They must select their dominant authority.

Sooner or later, the time will come when the police force of four must be expanded to a police force of all, by all, for all. The omission of such action would again invite counterpressure and countermoves of the policed group or groups, termed "war" in our society. At the present time, therefore, there appear to be three methods of procedure: (1) The mechanism may be organized by the four Allied powers. (2) The mechanism may be prepared by the United Nations' group as a whole.

There can be no doubt but that the best social system rather than military might will finally win the moral struggle now being fought. If the democratic countries are to win, they must create that system. They must give the lie to the nazi charge that the Democracies are plutocratic parasites. This must be the answer to the "new order"—nazi style. There have been valuable statements on what the general democratic philosophy of this system should be. There has been, however, a dearth of actual practicable measures to carry out these ideals.

III

THE most practical plan would be the creation of a Bank of Nations as the functional approach to economic spheres of interest. This economic center must co-operate with a Federal World Authority entrusted with greater sovereignties—the political sphere of the plan—and a reformed, enlarged and more powerful International Labor Organization—the social sphere.

The Bank of Nations must be given the ultimate task of unifying and co-ordinating the economic functions of the world community. The plan envisages the Bank of Nations co-ordinating the activities of a Western Hemisphere Bank, a Europa Bank and an Oriental Bank. Each country in turn is affiliated with its hemisphere bank. Among other functions, the Bank of Nations is given the power to issue an international currency; to grant short-term credits to trade; and to issue serial notes for long-term credit purposes. The power of credit and the part that it can play in solving the enormous problems of production, distribution, and consumption, is greatly underestimated. Credit is the electro-motive force in the dynamics of economic activity. It establishes the contact between the energies emanating from the subjects and objects of our planet. From the creation of purchasing power to the exchange of just purchasing power parities between nations, there is nothing that credit cannot accomplish. At a time when the destruction of the world necessitates incalculable works of reconstruction and construction, credit is the only instrument capable of anticipating future earnings of long-life capital wealth and placing it at the disposal of the present generation. Credit and investment are the most powerful instruments

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in counteracting business cycles and making post-war reconstruction continuously prosperous. They are in fact the great shock absorbers of our time.

The fecundity of freer trade would be immediately realized by the member nations of the Bank. Any country persisting in imprisoning itself behind insurmountable trade barriers would soon enough discover the disadvantages. It is, indeed, a vain hope of American financiers that they may again grant dollar credits at high interest rates to weakening countries without driving them to bankruptcy. The lend-lease method, lately extended to China and Soviet Russia gives rise to the hope that low interest or interest-free international credits will prevail in the post-war era and that the *après nous le déluge* attitude of orthodox capitalists will not be suffered again by the peoples of the world.

The proposed long-term credit system provides the creation of promissory notes (serial notes) for long-term investment purposes. These notes are issued in series and amortized during the life of the capital objects, structures, and utilities of all kinds created by the Bank and its branches. The Bank's activities are paralleled by regional branch banks, with credit and issuing departments. Furthermore, the Bank would have to deal with special problems, such as international labor migration, unemployment insurance and social security in general, crop insurance, raw material clearing, reserving and transporting, gold and index questions, etc. There are a number of functional subsidiaries which would co-operate with the Bank of Nations.

The Western Hemisphere Bank or a United Nations Bank may well represent the first step toward the ideal Bank of Nations. If this Inter-American or Union Bank would handle the currency and credit problems adequately and in such a way that future unified world solution is by no means impeded, we might as well now take the first steps.

Or are we again to let the opportunity pass by and sow the seeds for another war? The danger that this might be done is very grave. Ambitious, hypernationalist or imperialist statesmen are always at work and eager to grab individual and national advantages for themselves. America has a heavy burden of responsibility in this struggle for justice against the forces of evil. Our best men are none too good to struggle with this situation and to fight the real war for social justice on earth.

The merging of the incentives to progress embraced by the classical social philosophers can be accomplished by the new system I have termed "Social Capitalism." We visualize this system applied within, between, and above nations. We must show first how it can be made to function internationally and nationally and how it ultimately will lead our chaotic society into the socially advanced United States of the World in which regional groups, federations, and individual nations may finally be integrated. This is the economic, social, and political basis for the democratic world of tomorrow.

If a reintroduction of gold cannot be avoided for psychological or political reasons, the gold problem—though decidedly a secondary question—could best be solved by bringing the British Commonwealth, the U.S.S.R., and the U.S.A., the three main gold producing unions in the world, under a common agreement for the regulation of gold production and standards for the use of gold in connection with currency. Such agreement, finally, may lead to the internationalization of gold production, performed with full co-operation of private and public banks. International ownership will then ultimately lead to complete demonetization.

The National Resources Planning Board, in co-operation with the Federal Reserve, must expand our Federal Reserve System to include a reserve system in raw materials. Out of the pools and organizations of the lend-lease system will emerge a *national* foreign reserve in raw materials, currency, and gold, sent us by every United Nations member country and combined with an *international* Raw Material Reserve and Clearing House.

There can be only one interest decisive for our national and foreign economic policy, that is the interest of the common man and the people of the world in putting into operation the best attainable mechanics that would guarantee the survival of democracy and freedom and a better and wiser system. No other interest must decide, but the one vested in the people.

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"Let's Call

The reaction of the Axis leaders to the growing air power of the Allies is a typical combination of whine and bravado. These assassins are reported to have asked the Pope to stop the bombing of "open cities." His Holiness, not having intervened when they machine-gunned fleeing women and children on the roads of France and the fields of Ethiopia, when they wrought havoc and desolation in Guernica and Warsaw, in Piraeus and Coventry and Chungking, will certainly not become the tool of this effort to escape just retribution.

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It Off Now!"

In the same breath they are threatening us with dire retaliation. If we do not call off our bomber flights, they rave, they will destroy England, they will cross the Atlantic and the Pacific to wreak vengeance on America. Only one thing is true in these threats. The will is there. It is even possible that in a last mad moment the Nazis may attempt one more outrage. They may send their fleets of planes in a suicide flight, not against military objectives, but primarily against civilians—and they will load these planes, not with bombs but with cylinders of poison gas.

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Co-operatives in Post-

***THE** discussion of labor's role in post-war reconstruction, which appeared in our January Round Table, has led naturally to the consideration of other economic groups and their function in the new world. Among these the co-operative movement is outstanding. It has grown remarkably in recent years and it is becoming a vital factor in the economic life of nations throughout the globe. The Editors called together some of the leaders of the co-operative movement in China, in Europe, and the United States to discuss the co-operative program for the immediate period of rehabilitation and for the more distant future.*

Under the chairmanship of Dr. James P. Warbasse, Director of the Rochdale Institute and President Emeritus of the Co-operative League of the United States of America, the following took part in the discussion: Wallace J. Campbell, Assistant Secretary of the Co-operative League; Dr. James Drury, Professor of Marketing at New York University; Dr. Shih-Chi Hu, General Secretary of the Co-operative League of China and Vice President of the National Co-operative Training Institute of the Chinese Ministry of Social Affairs; Lionel Perkins, Registrar of the Rochdale Institute, who studied the co-operative movement in England; Dr. Kinn Wei Shaw, President of China Institute of Industry and Commerce and Secretary-General of the Chinese American Institute of Cultural Relations; O. S. Sindelka, Field Secretary of the Rochdale Institute and Editor of* Rochdale Co-operation*; Johan J. Smertenko, member of the International Editorial Board of FREE WORLD; and Dr. Maurice William, whose book, "The Social Interpretation of History," has measurably affected the political and economic development of China through its influence on Sun Yat-sen, the founder of the Chinese Republic.

ROUND TABLE No. 15

JAMES P. WARBASSE—In discussing the co-operative movement tonight, we want to relate what we know of the past and the present to the future. The co-operative movement has been contributing to the organization of the world for at least one hundred years but the most important thing to bear in mind is that we are facing a situation in which the economic system which has been responsible for production and distribution of the things that people need during this long period of what is called the capitalist system is now recognized as being inadequate to supply human needs; indeed, we are already aware that in countries which are capable of supplying all human needs, a large proportion of the people are not supplied, and when we analyze that situation, we realize that the profit motive rather than the motive of service has much to do with the failure of people who need things supplying themselves with what they require for their lives.

JAMES DRURY—Today, many businessmen are realizing that service in an economic sense, namely, supplying wants, is

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War Reconstruction

the object of business. For some time there has been a misunderstanding as to the true nature of profit, and it has been confused with service as the object of business. Profit is the reward for service rendered; service is the object. To that extent, the co-operative movement, by emphasizing service as its objective, is causing business to realize that it has been following a false objective up to this time.

WALLACE J. CAMPBELL—As I see it, there are two phases of the work of co-operatives in post-war reconstruction. The first one is the operation of the co-operatives themselves as a medium of distribution and of production of the goods and services that are necessary. And the second phase is that of the extension of the co-operative method far beyond its present expansion, in using a new method—a hundred years old, but still comparatively new—in the distribution of goods for relief, but through channels which are set up on a co-operative basis, so that the procedure of relief becomes machinery for distribution which can carry on afterwards on a non-profit basis. Thus we shall have a permanent post-war world built out of a relief structure. Unlike other methods of relief which might leave people at a dead end when relief is exhausted, co-operation will leave them in a position to do something for themselves.

WARBASSE—I think it might be well if someone at this point would actually describe to us what organizations exist which may continue to function and serve a rehabilitating function in the world after the war.

KINN WEI SHAW—Governor Lehman's office perhaps can be asked to serve as an intermediary organization for promoting constructive co-operative relief measures during the transitional period.

WARBASSE—Governor Lehman has expressed himself as highly sympathetic to making use of the co-operatives.

CAMPBELL—In past years, the co-operatives have not developed to the point where they could step in and do a mass job of distribution on a world-wide basis, but today there are more than a hundred million families which are members of co-operatives throughout forty different countries. They are federated in the International Co-operative Alliance, and they have, through the businesses which they operate, the mechanics of distribution of goods and services. There is no reason why the co-operatives, which do as high as 40 per cent of the business in a country like Finland and a

ESSENTIAL FINDINGS

1 The international co-operative movement, due to its vast organization in many countries, is particularly well fitted to participate in the work of reconstruction.

2 Apart from the economic advantages derived from the co-operative method, the movement provides a definite means of rehabilitation which is beneficial to public morale in that it avoids the dole and encourages self-help.

3 The principles of the co-operative movement require an extensive educational program in order to win public support for its claims at the International Peace Conference.

4 Although generally not affiliated with political parties in the various countries, the movement is unequivocally pledged to a free world in both political and economic spheres.

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substantial part in many of these other countries, cannot step forward and actually do the physical job of distribution in a more efficient manner than other types of business.

JOHAN J. SMERTENKO—What is the status of co-operatives in the various countries of Europe at this moment?

O. S. SINDELKA—As far as Central Europe is concerned, the co-operative organization is formally still in existence, despite the nazi regime, and can be restored to its former strength after the war because its channels are so widespread in those countries that they can be used for supplying the population with the things they need. In view of the universal use of the co-operative method in Central Europe, these co-operative stores will be able to cope with a large part of the problem of distribution.

SMERTENKO—Do you think the co-operative agencies are even now able to take over the work of reconstruction in Europe?

SHIH-CHI HU—Not entirely. Unfortunately, the International Co-operative Alliance is not functioning very well; neither is the International Co-operative Wholesale Society. Dr. Warbasse can undoubtedly tell us how much these organizations have been affected by the war situation.

WARBASSE—We must realize that the co-operative movement, beginning separately in all the countries of the world, now is well-established in forty countries, in each of which there is a national co-operative federation. These forty federations were organized before the war in the International Co-operative Alliance. In each of these countries, there is a Co-operative Wholesale Society, with its multitude of societies. The total business of these societies in the International Co-operative Alliance amounted to some fifteen billion dollars in 1939.

All of these organizations had large resources and their manufactories were the largest manufacturing businesses in many of these countries. The food production, on a large scale, was all integrated in this great international movement, that is now in abeyance during the war, but ready, with all of its organization, its personnel, its methods, to spring into action as soon as the nazi pressure is released or is removed from these societies.

LIONEL PERKINS—I think the most significant thing about the co-operative movement, as it has developed throughout the world, is that we have always realized that co-operative development would reach, or should reach, beyond the borders of each country. There has always been a trend toward international co-operative organization. The principle of mutual aid, co-operators realize, applies not only to the community and the nation, but internationally as well.

The first steps toward international co-operative organization were taken when the International Co-operative Alliance was organized in 1895, and since then, there has been co-operative international trading throughout the world, with the establishment later on of an International Co-operative Wholesale Society—the International Co-operative Society for the Scandinavian countries, called Nordisk Handels Forbund, and an international trading agency that was established at the last International Co-operative Congress in Paris, which functioned until the beginning of the World War.

Here we have the co-operative foundations for international trade. The co-operative movement has indicated that it will expand into international trade and international education. We have, through the establishment of these promotional, educational, and trade organizations, the basis on which co-operatives may lay the foundations for actual assistance in the post-war reconstruction to which we are all looking forward.

CAMPBELL—I think it is very important to point out at this time, getting back to Mr. Smertenko's question, that as large as the co-operatives are today and as equipped as they are to meet part of this problem, that even more important than existing machinery in co-operatives is this co-operative method which can be applied, not by a hundred million people, as it is now, but by everyone who wants to, so that with this example, it is possible for ordinary people, anywhere, to get together at the close of the war, to build their own businesses, regardless of whether they have had any association up to this time with the co-operative movement. In other words, here is a pattern for self-help.

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At the close of this war, the problem of rehabilitation is going to be so large that even the machinery of the Red Cross, of our international commissions of reconstruction, and so forth are not going to be great enough to handle all of it. The problem will be so great that the people themselves are going to have to do something to help themselves.

We have talked a lot about the century of the common man. Here is a formula whereby the common man can get into action right away. We have talked about wholesales in this international scale, but we have got to see that after the holocaust is over in Europe, these ordinary people can do something for themselves, and this co-operative business is a way for neighbors to get together, even in small groups of half a dozen to a hundred to a thousand —getting together in groups to do something for themselves. And actually, the people's business, which is our nickname for co-operation, is a way for the common man to take hold of this century and make it his own.

II

SMERTENKO—There must be some sort of system that you have in mind which will enable the co-operatives to cope with the new problems of a wrecked world. It is not a question of going back to the *status quo* after this war. You have a completely destroyed economy in which economy the average man, the common man that Mr. Campbell spoke about, is completely bankrupt. He hasn't got a cent. How are you going to begin to get the seeds of the co-operative movement into the ground so that the movement itself will flourish?

WARBASSE—The common man has two things which are essential for the development of the co-operative movement after the war. He has working power and he has consuming power. The consuming power is a necessity, and the working power is essential in order that he may live to enjoy that necessity. We in the co-operative movement disapprove of the idea, the ancient idea, that he is to be assisted by philanthropy. The resources made available by the taxing power of governments make available funds for beginning rehabilitation. It is the co-operative program that the funds collected by governments which these governments otherwise would use in a philanthropic way, making presents to individuals in order to keep them alive, should be allocated to individuals who are organizing for the purpose of self-help rather than for the purpose of getting something for nothing. These people, with the consciousness of self-help and mutual aid, organized in co-operative societies, can take such funds and by their own efforts gain more advantages for themselves and get more rehabilitation than if each individual is treated as a mendicant and receives the largesse of his government.

These funds, whatever their source, should belong to co-operative societies. Similarly, if commodities, medicines, or implements are to be supplied to the people, they should be sold to the co-operative societies in which these people are organized, exactly as we do in the co-operatives in normal times. These people, then, through their societies will obligate themselves to liquidate these debts over a long period of time. Thus the work of rehabilitation can be put on a business basis rather than on a philanthropic basis. It is international business which should be cleared through an international banking system. And here, too, the co-operative movement can play its part because it has started an international bank to render precisely this type of service.

SMERTENKO—To summarize it, you're suggesting that co-operative loans rather than the dole ought to be used to solve the problem of post-war reconstruction?

WARBASSE—Absolutely. We have had experience in this sort of thing with people in the United States who had no resources. We had what were called the self-help co-operatives of the unemployed, back in 1933 and 1934, when people with no resources made use of just this method and demonstrated that they could make money go about three times as far as it would go if it were allocated to each individual separately to spend in his own way and get what he could. In other words, these poor people were set on their feet, literally, by the philanthropy of the government and put to work. They organized industries which created wealth, which contributed

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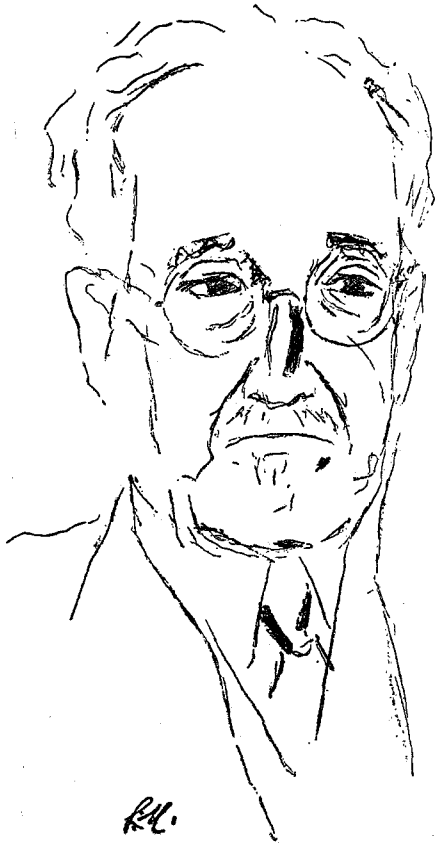

James P. Warbasse

to their sustenance; and they were moving on to that point—if they could have been allowed to go on—when they would have become wholly self-sustaining, and this in a period of only three or four years.

Now, if we give the people of Europe and Asia a period of twenty years, making use of the same methods, it is conceivable, we believe, with our co-operative experience, that they will be able to do the same thing. Someone is going to own the industries. Our attitude is that the industries are best owned by the people who need the product of the industries.

CAMPBELL—I would like to document Dr. Warbasse's description of these self-help co-operatives. I got my introduction to the co-operative movement when I made a study of the self-help co-operatives in California. At the depth of the depression, there were three hundred of those self-help co-operatives in Los Angeles County alone. The Department of Welfare made a study of their costs of relief and found that it cost only one-seventh as much to take care of a family through the self-help co-operatives as it did through a direct dole.

What they did there was to get a group of men together, usually from one hundred to three hundred, in a self-help "co-op," and the funds which were given to help them were enough to provide trucks—or sometimes the trucks were built out of junk heaps by mechanics who knew how to put machinery together—and to provide gasoline for these people. With their trucks and their gasoline, they were able to go out and harvest crops on a share basis with farmers who could not afford to pick the crops. They went out into timber areas and cut wood and sold the wood—that is, the wood they didn't need for their own use—and got more money to buy more gasoline. They set up factories to make things that they needed for their own homes and for sale or exchange to other self-help co-operatives, and the women in the families got together and set up sewing bees or sewing co-operatives and made clothes out of everything from flour sacks to cloth which was made available by the relief agencies.

SMERTENKO—But in the program that you propose, you are going to run up against large business interests, cartels that have for years monopolized certain industries or certain raw materials. What plans are you making or have you made to go to the peace conference and to limit the past controls of these cartels that would stifle industrial development on the part of the co-operatives?

WARBASSE—Our experience has shown that we do not go to a peace conference with this program; experience shows that we get the best results when we go to the people themselves. I could give you many examples where the people have failed, the co-operatives have failed, in appealing to the government for assistance, but when they have gone back to the people themselves and the people realized the importance of this principle or this service, the public sentiment that grows out of it solves the problem. In other words, public sentiment has greater power to influence such conduct than the power of government.

SMERTENKO—Yes, but public sentiment hasn't got the money to lend you, which you need for your initial venture into the international co-operative field that you spoke

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of. These loans that you need you will have to claim from the international agency, whether it be the expansion of Lehman's rehabilitation agency or some other functioning body of the United Nations, to which you can go and say, "This is what we need and this is our method of utilizing this money."

Now, obviously, you may run into a snag there. Those who will feel that their own interests are jeopardized by the co-operative movement will oppose you, and you will not have time to provide an educational system for the public and propagandize them to the point where public sentiment will rise and demand that you receive these loans. You are going to be faced with a peace conference at which certain economic as well as political things will be decided. Has the co-operative movement any plan for entering into and participating in such a peace conference? Has it formulated its demands?

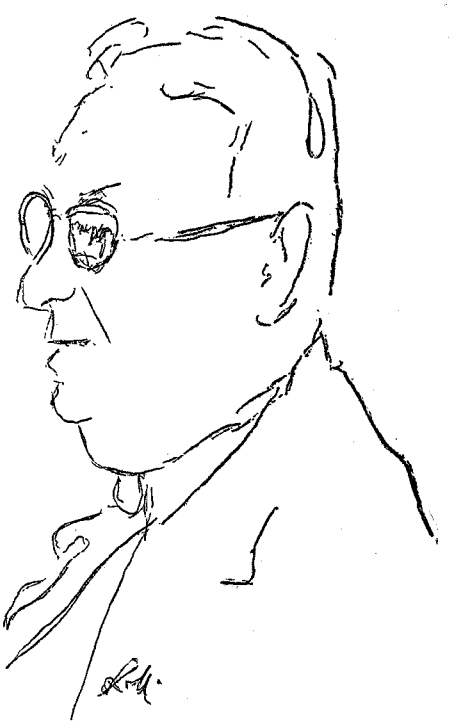
WARBASSE—I would say that it has. In the first place, you are quite right in the assumption that we shall be opposed, because co-operation is competing with profit business, and profit business is out to get the business. But also, we can assume that the people will demand the co-operative method when they learn that they can obtain commodities of better quality and at a lower cost through the co-operatives than through profit business. In many cases, the people will fail, for the cartels are powerful, but we still must depend on the action of the people.

SINDELKA—I think that most of the governments-in-exile are used to thinking in terms of co-operatives as representing the will of the consumers of their countries. The interchange of commodities between the countries concerned will be carried out not only through an international agency but also on the basis of bilateral agreements between the countries which need certain commodities and the countries which are in a position to supply the commodities. Therefore, I think that agreements between the co-operatives of the United States, on the one hand, and the co-operatives of Czechoslovakia or Poland or Norway or Finland or France or Italy, on the other hand, may be secured without actual guarantees provided by an international bank, but just through contract and agreement between the countries concerned. As far as my knowledge goes, I don't hesitate to say that among some of the governments-in-exile, there is a readiness to do this, and it would be without any risk on the part of, let us say, the American co-operative movement to enter into obligations with the co-operative movement of any European country, provided the government of the European country would guarantee the payment of the debt incurred in such a transaction.

WARBASSE—Mr. Drury, how do you believe that international commerce might be carried on co-operatively?

DRURY—One of the principles of the Atlantic Charter assures the availability of raw materials to all people. I believe that requires some sort of common denominator to bring these peoples together, and I would like to think of the co-operative movement, not as something to be thrown into the immediate situation after the war as a cure-all, but as a movement which started about the same time that the Industrial Revolution started, and has been growing ever since.

I believe we need to go back to some of



Maurice William

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the basic causes of our present conditions. I know we all like to place the blame on somebody else for everything, and I think some of us are prone to blame the leaders of business for some of the situations we are in. I believe, though, that it is being recognized quite generally today that one of the basic problems is that business has not kept up with the progress along the technological lines in production and distribution. Business has operated under a philosophy of scarcity, while the technologists have been at the problem of making more and more goods for less and less cost.

Now, we are realizing today that the type of economy we have had over the last fifty or a hundred years, called private enterprise, will no longer satisfy the requirements of today and tomorrow, and there is a dawning recognition of the significance of free enterprise. There is quite a difference between private enterprise and free enterprise. Free enterprise has as its premise the voluntary principle. That is essential. If the voluntary principle is admitted, it automatically throws out of consideration any dictatorial plan for the future, whether it be fascistic or communistic or governmental control by governmental agencies of any kind.

Kinn Wei Shaw

I think it is significant that the co-operatives started a hundred years ago with this voluntary principle as one of their foundation stones, and here, today, we find the world searching for a principle to bring all peoples together, and I believe it is this voluntary principle. The day is coming, I believe, too, when private business will recognize that the co-operatives will be one of the strongest agencies to help in the maintenance of a voluntary system of organization, and when that day comes, I think we will be fighting side by side with the sound business agencies to eliminate the growing control by governmental agencies. We hear a great deal today about managerial revolutions, about the managers running everything according to some sort of a planned society, a few so-called experts planning for everybody. The co-operative movement is opposed to that. We want the people to plan their own future.

WARBASSE—You spoke of contrasting co-operation with private business. Do you not regard co-operation as private business?

DRURY—That is a question that, perhaps, needs considerable discussion before we can clarify it. When one refers to private business, one thinks of business operating for private profit, and perhaps it is a mistake to refer to it as private business, because the co-operatives certainly are private business ventures.

III

WARBASSE—Dr. Shaw, will you give us your idea of the possibilities of international commerce between China and the United States on a co-operative basis?

SHAW—I am interested in organizing a co-operative marketing agency for Chinese co-operative products, and at the same time, I am interested in discussing the possibility of organizing an International Chamber of Co-operative Commerce. But it is earnestly hoped that the Co-operative League of the United States will take the lead in carrying forward this important task. When the Chinese-American Co-ordination Committee for Co-operatives is inaugurated in the near future with the fullest support of American and Chinese Co-operative leaders, a special committee on International Co-operative Trade should be set up and

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concrete plans may be formulated and put into execution on a true democratic co-operative basis. We can start something new; and I think the time is ripe now.

WARBASSE—Mr. Hu, you have ideas on the subject of international commerce between China and the United States?

HU—My idea is nothing new but follows the old examples of co-operative movements all over the world for the interchange of commodities between the consumer movements. For instance, in China we have a number of co-operatives producing tung oil and a number of co-operatives producing tea, and the tea co-operatives, as a matter of fact, are sponsored by Dr. Shaw, right here. Then the national co-operative wholesale agency is also promoting the organization of a number of producers co-operatives. When the Chinese co-operative movement includes all these producers' units, then it will be in a position to exchange commodities with America.

SMERTENKO—You will not confine it simply to America? I mean, if Great Britain or France is able to sell you—

HU—Oh, yes, but not immediately after the war is over, because the European countries will be busy with reconstruction. As for the peace conference, I do not believe that the co-operative movement is going to occupy a very important place. The co-operatives, during the past hundred years, have been working quietly. The co-operatives, after all, are a sort of peaceful revolution. And yet, they have been very successful in overthrowing the power of cartels and trusts. For instance, the co-operative Electric Bulb factory succeeded in overthrowing the power of the cartels in Northern Europe. Then, too, the CCA, the consumers co-operative organization here in this country, won an important battle against the Standard Oil Company. With the aid of public opinion the co-operatives will succeed, and I do not believe that we have to worry about the evil forces of the capitalists. Our co-operatives do not have to fight against them as the others do. We just keep on expanding ourselves.

CAMPBELL—There are, however, certain specific things that co-operators have at stake in a peace conference. First, it is absolutely essential that the co-operatives, if they are going to grow in this field of

O. S. Sindelka

international commerce, be given the right of free trade. We must try to wipe out these international boundaries which are restrictive in nature, not only to regular commerce and to the interests of consumers in capitalist business, but which can be restrictive to co-operative business. We must see that there is freedom of trade between co-operatives in this world after the war.

HU—That is very right.

CAMPBELL—Another factor that is essential in the peace conference is that there are not set up political factors which would support the cartels and trusts; that is, we must have freedom domestically within our own nations to carry on business in free competition with these trusts and combines. Finally, we must have a third thing, and that is, the right to co-operate. That may sound rather strange at this moment, but in a number of the European countries, not only under the dictatorships, but under some of the governments we have chosen to think of here in this country as rather democratic, there have been very severe restrictions on co-operatives. In Great Britain, for example, there is taxation which is directed specifically at penalizing the co-operative movement. We need to get rid of those barriers.

MAURICE WILLIAM—How are you going to get rid of them?

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Shih-Chi Hu

CAMPBELL—We need a free society, and as much protection for the freedom of an economic society as it is possible to get at the peace table.

HU—We have to have all these things; there is no question about it. But I am not worrying if we fail. What I am worrying about is whether we have enough good leaders in the co-operative movement all over the world. We need not only good leaders for the national co-operative movements of different countries, but also, those leaders must be internationally-minded, dedicated to the idea of international co-operation. And so I have been suggesting that during this time of the war, we must make America the center of international co-operative education, to train leaders for international co-operative education, so that when the war is over, students from different European countries and also from the Far Eastern countries, may come to pursue a period of study here in this country, where you have in Dr. Warbasse the greatest co-operative philosopher of the age, and also where you can communicate to them the American genius of production by co-operatives.

CAMPBELL—In considering possible artificial restrictions on our movement we must realize that one of our large expenditures—and it is going to be awfully large here in this country next year—is an expenditure for government. We are consumers of government just as much as we are consumers of bread and clothing and all these other things, and we as consumers have a right to know that we are buying the best dollar's worth of government protection that we can get. We have, as consumers, just as much right, or more right, to a place at the peace table, in terms of economics, as ordinary business does. I think that in free and open competition, the co-operatives can take care of themselves, but I don't want these large cartels which have large economic resources by their pressure to control government, which does not rightfully belong to them, and to use that government against us.

PERKINS—I think that this is the most important statement which has been made here. Co-operators are looking forward to a free world, and we have a very large stake in it, possibly larger than many other organized groups realize. To them, the free world in its large implications means political democracy alone; to us, as co-operators, it means economic democracy as well. That is the natural supplement to political democracy. If we are indeed to have a free world, a free world means, as Mr. Campbell said, free trade for co-operators, and I hope that we can look forward to some concrete steps that can be achieved by the United States and other countries of the world, even while we are at war, toward international trade through co-operative effort.

WILLIAM—I want to start by disagreeing heartily with my good friend, Dr. Hu, in his great enthusiasm for the development of leaders. I am afraid of leaders. I pin my faith in the people, and the people should always choose their servants. I have a feeling that is what he means when he says leaders, but he uses a term which others don't use when they say leaders.

The world has been plagued by leaders. What we want is a situation where the people themselves will be their own leaders, expressing themselves as the occasion, or as the exigency of the situation demands, expressing themselves through their democratically appointed servants. I have a feeling that when this material is published,

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inadvertently there will creep into that statement a belief—a latent belief, perhaps, but nevertheless it will be there—that consumers or the consumer co-operative movement has failed to function during the war, both the last war and the present world war. Well, the facts do not support that. We have had a report from Scotland indicating the extraordinary contribution of the consumer co-operative movement right through the war, under the pressure of war necessity. They delivered the goods, and the proof of that lies in the fact that its membership grew throughout the war. The same applies to China. You have a larger membership today than you had in 1931 when the war first started, or in 1937.

HU—That's right.

WILLIAM—Consumers are very pragmatic. They join only when it pays them to do so. There is no theoretical philosophy behind it, so far as I know. The movement has grown in the past hundred years, exclusively through the one fact that it has delivered the goods. Now as I understand it, what is asked for by Mr. Campbell here this evening is nothing more than equality of opportunity.

CAMPBELL—That's right.

WILLIAM—And that is a thing we have a right to demand. My criticism of the co-operative movement would be this: it is entirely too modest. It is one of the great phenomena of the past hundred years, and for it to cringe before those who will sit around the peace table is to have an inferiority complex which is not at all justified by the facts. The members have to change their mental attitude toward their own movement, which has grown far beyond their dreams.

Lionel Perkins

Nobody, from its inception to this very day, has dreamed of such development and growth, and that is due to only one thing—it renders a service that the people want. In the early stages of the consumer co-operative movement, there was no conflict between the co-operative organizations and the producers, that is, the capitalists. The consumer movement has come in at the distribution end and has served productive capital to a tremendous degree. It was only when its own needs and its own efficiency established the inefficiency of productive capital, that it went into the business of production, only because it could do the job better than those now in the field. The movement has a body of achievement behind it, which gives it just ground for making demands and making demands in the name of the people of the world as a whole. Nobody is excluded from the consumer co-operative movement. That is one of the grandest things about it. It is begging for everybody to make it a universal trust. That is what it amounts to in the final analysis.

SMERTENKO—But you will admit that when it develops to the productive stage, it does enter into competition?

WILLIAM—True.

SMERTENKO—With the producers.

WILLIAM—Yes.

SMERTENKO—Now, what steps do you contemplate taking in order to come out victorious in such a conflict?

HU—Experience shows that the co-operative movement everywhere has been victorious all the time.

WILLIAM—For only one reason: It is far more efficient.

WARBASSE—Dr. William's thesis is that the time for modesty is past, and the time for audacity has come. Mr. Drury?

DRURY—Well, the point I was going to make is that we have a yardstick for de-

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termining who should do each job in the economic field, and that yardstick was just mentioned, namely, efficiency. I believe there is so much constructive in the co-operative movement that one thing we should guard against is attempting to build it on a destructive basis, by damning the other fellow.

It is very easy for us to lump all middlemen together and say, "Middlemen are taking too great a toll out of the consumer's dollar." I believe that in the future, there are going to be some private middlemen in existence because they will be more efficient in doing certain jobs than anybody else. I believe it is only fair to say that the co-operative movement owes some of its growth to the fact that there are middlemen in existence who are serving the "co-ops" better than the "co-ops" find they can serve themselves, at a particular stage. For example, all our wholesalers buy goods from existing middlemen. We live alongside of private profit business. If, as, and when we are in a position to do the job more efficiently, then we not only should do it but we will do it.

WARBASSE—Inasmuch as the democratically organized people are going to select the leaders from among themselves, it is desirable that those leaders should be efficient and efficiently trained.

HU—Yes, efficiently trained. They must have a philosophy, a genuine philosophy of consumer co-operation and they must be international-minded.

WILLIAM—Dr. Hu, first of all, they must see themselves as public servants, and the emphasis must be on the word "servants." We don't want to give them a fear complex but—

CAMPBELL—I would like to point out in following up Professor Drury's point that there isn't any magic in this word "co-operation," that it isn't just a cover-all and a nice word. There are certain factors in the economics of co-operation that tend to make it possible to be the most efficient form of economy that has yet been discovered. There may be something better coming along in a hundred years; if so, I would like to be around to see it. But at any rate, these factors are involved:

You have through the operation of the co-operative, first, a non-profit way of doing business; that is, your earnings are paid back to the consumer-owner, so that you have placed in the hands of the consumer-owner larger purchasing power and a stimulation to further trade. Secondly, you have increased efficiency through distribution for a known demand; that is, you do not have to fill your shelves with products which your people don't want because your people, as the owners and controllers, tend automatically to indicate what they want and you stock merchandise to meet that demand. Then, you find that production for the known demand is more important even than distribution for a known demand. Thus in 1929, the most efficient year of our competitive, private operation of productive business, 20 per cent of our productive capacity was unused because we had established factories which could produce the *possible* demand on which a profit could be made, and there was not demand enough to keep all of that production in operation. Co-operative factories, when they are set up, are set up to meet a specific and known demand, and so they can operate up to 100 per cent efficiency.

WARBASSE—You refer to the fact, Mr. Campbell, that when co-operation reaches back to the point of production, it produces for a known clientele of consumers who own the productive plant; thus, the economic hazard of overproduction and underproduction is minimized, at least.

CAMPBELL—That's right.

HU—In other words, it is a co-operatively planned economy.

SINDELKA—Co-operative economy is a planned economy, while unregulated private enterprise economy certainly is not. The latter may profess the ideal of service to the consumer, but its individual enterpriser cannot comply with this creed.

SMERTENKO—May I play the role of the devil's advocate for the moment and challenge one of the statements made by Mr. Campbell in this respect? When he says that the co-operative distributes for a known need, he attacks the business man's gold idol, advertising. Now, one of the arguments used by business men is that through the medium of advertising, you establish new needs for people. This creates or stimulates demands which, in turn,

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increase production and reduce the cost of the product. The effect, claims the business man, is to raise the standard of living by putting new products and services within the grasp of the masses of men.

WARBASSE—And you often stimulate people to want things that they do not need.

SMERTENKO—That's right.

WILLIAM—And the consumer pays for the cost of the advertising in that price which he pays for the product.

DRURY—Well, I must speak on this point, on this question of advertising, because it happens to be my particular pet peeve with the co-operatives. Advertising is a tool of business, and the day is coming when the co-operatives are going to realize that it is a tool which can be used properly and can be misused.

I think when we criticize advertising, what we really are doing is criticising some of those who use advertising. I believe it is impossible for advertising to create a demand. All it can do is stimulate a demand that already exists. Advertising can tell people about products, can inform them. It is an educational process. In fact, its primary purpose is educational. As far as its costing people money is concerned, I think the evidence of various businesses in this country indicates that the advertised product over the years has increased in volume, and consequently lowered the cost of the product, so today we get an automobile at a price 'way below what it used to sell for, and it is a better automobile as well.

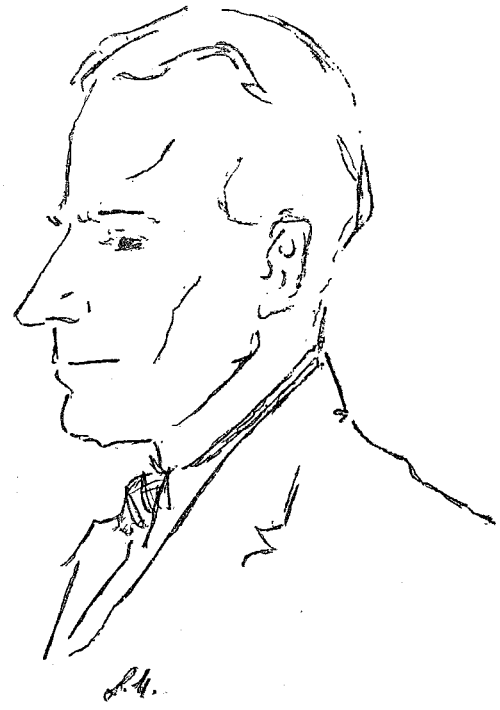
CAMPBELL—We have just returned from a session in Washington which was the culmination of a three-months' battle to establish the right of the co-operatives to advertise the same way everybody else does, through the radio.

WILLIAM—How did you make out?

CAMPBELL—We won.

WILLIAM—Good!

DRURY—We are going to live with business for a long time and we might just as well work side by side with the best interests in business and together try to build this better world we are looking toward. After all, there are a lot of men in private business today who are sitting up nights thinking about a post-war world and thinking about their employees, just as well as we are, so we ought to be fair.



Wallace J. Campbell

WARBASSE—You believe that co-operation is benefited by the competition of private business, the challenge of private business?

DRURY—Very much so.

IV

SMERTENKO—In discussing the need or demand for a world of free trade, Mr. Campbell brought out another point which deserves consideration. In view of the fact that the co-operative movement takes a certain pride in not being a "political" movement, what means are you planning to take to gain recognition for your plans and program at the peace conference or thereafter? There will be situations where you will be able to protect your economic interests only by means of political measures and maneuvers. Can you indicate what course of action you intend to pursue to win your place in post-war reconstruction?

CAMPBELL—That is one on which there may be some difference of opinion around the table here, but my feeling about it is that there are certain essential things that co-operatives can and should do in the

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political arena without the establishment of political parties and without the establishment of political alliances. Let me illustrate that. Here in the United States, we have recently engaged in a campaign to get rationing of essential commodities before shortages occur. Now, in order to establish in a war economy the right of the individual consumer to get his just share of the available goods, it is necessary to have political machinery set up to apportion those things in proportion to the basic minimum needs of the individual, and I think that we engaged in a political battle when we got up and demanded universal rationing of essential commodities.

In the international sphere, it seems to me that if and when we sit at a peace table, we ought to demand certain specific things, and that rather than having alignments which bind you to the policies of other organizations, we shall go along with those people who believe in the same things, as far as the common belief in those same things goes.

WARBASSE—We do not commit ourselves to a political policy or a political alliance.

WILLIAM—Well, didn't the consumer co-operative movement in Britain organize a political consumer party?

James Drury

CAMPBELL—Yes, it has and it has been a subject of the most consistent debate that there has been in England for twenty years.

HU—And that party is not at all influential.

CAMPBELL—Well, I would like to have some of these people who have been on the scene, comment on that.

DRURY—I might comment to this extent, that it is my impression that it was not the co-operative movement as such which started that party, but a few people who were politically-minded, who thought it would be a good thing, and that ever since the day it was started, the business side of the co-operative movement in England has been opposed to its organization and development.

HU—What is the attitude of the British co-operative movement towards this party?

WARBASSE—The British Union is sympathetic to the party. It supports the party.

CAMPBELL—If you throw this thing at me, one man's opinion—and a man who hasn't been on the scene—is rather dangerous to hazard, but I would say that the pattern of development in Sweden, for example, is much closer to that we should take here than the development in England; that is, in Sweden, the co-operators take part in politics but as members of the party they choose. If they all decide on the same party, that's their business. There are co-operators in important posts in government. Axel Gjores, for example, is head of the equivalent of the Board of Trade.

PERKINS—In England all of the candidates elected to the Co-operative party are endorsed by the Labor party, and vice versa; in fact, it might be said that the Co-operative party is the tail of the Labor party. Those co-operators who endorse the Labor party are recommended by the Co-operative party and they are elected as the slate of the Labor party rather than as a specific Co-operative party.

SMERTENKO—Dr. Shaw, is there a political movement in the Chinese co-operatives?

SHAW—The Kuomintang party is doing its utmost in promoting co-operative societies, but the nonpartisan principle of the co-operative movement is also strictly observed by the Chinese co-operators and

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Johan J. Smertenko

highly appreciated by the general public as a whole.

WARBASSE—By not going into politics the co-operative movement in the United States has gained the support of all of the political parties, and they all have put a co-operative plank in their platform. That is what we win by not participating in politics.

HU—May I add a few words to Dr. Shaw's statement? Dr. Shaw's idea is that the Kuomintang party is in favor of the co-operative movement, but the co-operative movement does not participate in party politics, just as in the situation here in this country. All the political parties are in favor of the co-operative movement.

SINDELKA—To me the most distinct difference between the American conception of the consumer co-operative movement and the European conception of the movement is that in America, the movement is not associated with the socialist or any other political way of thinking.

WILLIAM—Is that from its inception or a process of evolution?

SINDELKA—From its inception. The whole history of the co-operative movement in Europe is along the socialist way of thinking, whereas in America, the development is entirely different.

WARBASSE—Dr. William, your attitude would be that the co-operative movement, if it is to constitute a common ground upon which all people may unite, must be neutral, not only in matters of politics but also in religion and class differences, and all those things in which people are divided into cults and groups must be eliminated from any movement which would constitute itself a common ground upon which people of all opinions and classifications may unite, and if it participates in politics and addicts itself to any party or religion or anything else, then it cannot function as a common ground?

WILLIAM—No, that is not my position, Dr. Warbasse. I don't want to inject my own position into this discussion, but you brought it out and I will be glad to state it. I cannot separate the consumer from the citizen. I just can't do it. I don't see where the distinction lies except as an extension of his rights, and that is to have a say in the government. The consumer, having a say in the government and registering that say at a ballot box, is a citizen and therefore carries forward his right as a consumer into the political field. It would be a tragic day for this country if he failed to do that. The tragedy in this country lies in the fact that the consumer is unaware that he is a citizen and should use his citizen powers to advance his consumer interests, and the citizen fails to recognize that he is a consumer and should use his consumer rights to advance his citizen interests.

DRURY—I believe that each person is really four people in one. He is an individual; he is a producer; he is a consumer; and he is a citizen. I believe one of the great failings of man is the fact that he has failed to realize his four-sided nature. I think many of the problems and many of the conflicts which exist in the world today are due primarily to the fact that an individual will become lopsided on some one of his four sides and tend to solve or to make decisions with regard to himself as a total individual from this one-sided point of view.

I have in mind, for example, the producer's side. There are many businessmen who are lopsided on their producer side and therefore think the most important thing is the making of money. There are

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men who are lopsided as producers on the labor side and they want to value everything that they do in terms of their labor interests. In fact, in the co-operative movement today we have in this country some members who think first of their labor interest and only second of their consumer interest, and would like to make the co-operative movement a sort of tail to the labor movement.

As I see it, as an individual I don't want to co-operate. As an individual, I want private property, I want a personal life. I don't want anybody snooping around. There are certain things I want for myself and myself alone. When I come to my producer's side, I may find that I want to co-operate with others to the extent of improving my economic lot as a producer, and so I may form a trade association, if I am an employer; or I may form a labor organization if I am a worker; or I may form a professional association if I am in a profession.

When it comes to my citizen side, there I have a duty to co-operate with others in selecting the individuals to run the government of which I am a part. As a citizen, I join with others to select leaders—

WILLIAM—Servants.

DRURY—Servants, pardon me!—to elect servants to render very definite and specific tasks, the function of government being the common protection of all of us, health and such things as that. But now, as a consumer, I may or may not want to co-operate. As a consumer, I may find that there are certain interests that I have in common with others, and to that extent, I want to co-operate. As a consumer, there may be other interests that I would not have in common, and to that extent, I would not want to co-operate. The big difference to me between my citizen side and my consumer side is in the fact that as a consumer, I want this freedom of choice. I want the voluntary principle to dominate my activities as a consumer. As a citizen, I have no freedom of choice. As a citizen, I must co-operate with other citizens. I have both a duty and a responsibility to see to it that as a group, we set up the kind of government to protect our rights.

WARBASSE—I would like to call your attention to the co-operative principle which we all recognize, that while we may have our private opinions, we cannot flout the fact that the consumer, the producer, and the citizen are not the same person. We have, in all of our countries, a great many citizens but not as many citizens as we have consumers. In this country, we have a large aggregation of people who are denied citizenship. They do not function as citizens. They are disfranchised, and while that is the case in this very free country, it is particularly the case in a great many other countries where the citizen and the consumer are not the same people because there are more consumers than there are citizens.

As to the worker and the consumer being the same person, while all people are consumers, in the tender ages of youth, people are not workers, they are not producers; the incapacitated and the ill are not workers or not producers. The aged are not producers. But all of these people whom I have mentioned are consumers, and thus, if we are talking about any classification which embraces all people, we cannot use the word "producer" or the word "citizen," but the one word that we can use is "consumer," because a person consumes from the moment of his birth until his demise.

WILLIAM—I would just like to add one word in regard to the statement made by Dr. Drury and developed by Dr. Warbasse. The point has been made that there is a further and a far more important distinction between the producer and the consumer, and I think it is important to have that included, if you all agree it should be; that is, that the producer is the servant of society and the consumer is the master in society.

PERKINS—In this consumer base, we have a point of interest for all the peoples of the world, all nations of the world, all nationalities of the world. We can't all agree as to the politics of the world, but we all can agree that human wants are the same throughout the world, and that on this basic, focal point of consumer co-operation, in the recognition of ourselves as consumers, we have the possibility for international co-operative trade and we can, really, through our economic society, build a free world.

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PERUVIAN INCIDENT

by

Harriet Shanks Platt

WHILE we were trying to find the place from the air I heard Etseru musing to himself: "I wonder whether or not I'll see Marunko and whether he is still alive."

"Who is Marunko?" I asked, as the plane dipped and bounced in the steamy air rising from the forest below.

We had taken a hydroplane into the interior—the Sepa River Region of the Peruvian Oriente—to investigate a location which had been designated by the Peruvian Government for a refugee settlement three years previously. Etseru, the engineer, was acting as our guide, although he had never flown over this region, for he had picked the location and made the first survey. Along the Sepa River there was productive land, well adapted to plantations except for its distance from white settlements and the presence of two warring Indian tribes called the Piros and the Campas. The only group of settlers who had yet homesteaded there remained but six weeks, then fled, scared away by the Indians.

Invited to tell about Marunko, the engineer began an account which I did not know whether to believe or not:

"Marunko was head of one big family group of Campas Indians. One night toward the end of my surveying, an Indian runner interrupted a fireside reverie on the river bank with the request that I come help bury Marunko. He was dead—but so stiff that they could hardly handle him. I went to help. It's a good policy to be helpful even though I'm an engineer, not an undertaker. But leaning over the chief, I thought I saw a haze on my buckle, and I became obsessed with the fear that it was a live man, not a dead one we were burying. I tell you I'm an engineer—with no doctoring experience—but they allowed me to do with Marunko as I wished. And the whole group stood massed around his thatched hut watching everything I did.

"After this survey job, I had planned on heading down the river to the lower Ucayali, near its junction with the Amazon. There is where I have my own ranch and I was taking a veterinary kit along for working with the cattle. This time, needing first aid for man, not beast, I fished in the kit; finally I found adrenalin, filled the

hypodermic syringe full of it, and gave Marunko the whole dose. At first nothing happened. Then I began to administer artificial respiration—up, down, up, down. Not a single Indian's eye left me as I worked. Suddenly, a deep sigh shook the 'dead' man's body—and like a flash every Indian vanished—all save his mother and wife. They stayed on helping me until Marunko was breathing deeply in what seemed to my unpracticed eye, a normal sleep.

"And I? I left as fast as I could, before he could 'die' again! I've never been back, and I've *often* wondered whether he is still alive. Three years have gone by. I wonder if I *dare* go back."

Here Etseru had to stop talking for we were nearing our location and everyone was to be on the alert for vestiges of the old settlement. But I kept thinking *if* the story were true, how interesting it would be to run into some Campas.

At last we sighted the place from the air, located a fair landing stretch in the river, and settled down. But no Campas were there to greet us; instead, their arch opponents, the Piros Indians, were the ones who

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sighted our plane and who gathered as a reception committee.

For the next few days we were busy making friends—and maps—testing the soil, and doing all the other things necessary to survey the territory, followed constantly by little groups of Piros. But before we had finished our work, the rainy season caught us. Rain coming down in sheets and a cloud ceiling close to the forest-covered earth, we felt it was not wise to fly back over that uncharted part of the country when rivers were the only landing place, landmarks few and barely visible.

The rain poured down while we waited, our food slowly but inexorably growing less and less; waited while our Piros friends, eager, observant visitors to our thatched shelter, shared with us their small supplies; waited while our thatched roof began to drip and the forest turned into a green river creeping toward the edge of the wide, brown stream whose waters thundered past our shelter; waited with growing impatience as Christmas Day drew near.

II

ONE afternoon, as I sat on a log trying to explain Christmas to a group of Piros who were curious to know why we were in such a hurry to leave, Etseru came up in great excitement. "Look up the river bank," he cried; "I'll wager this is Marunko coming now. See the tall man striding along at the head of those Campas?"

A long line of Campas Indians filed down the slopes of the upper terrace, led by a broad-shouldered man wearing a long white garment. The garment looked something like a nightgown, perhaps more like an ancient Egyptian robe, decorated beautifully with brown and black patterns.

"It *is* Marunko!" whispered Etseru, as the big Indian shook off the rain like a great dog and silently entered one end of our shelter, while our Piros guests immediately slipped out of the other end.

Marunko sat himself down on the log facing me and struck it with his fist. He pounded in rhythm to his singsong words: "Tell me, you who have come down from the sky, why did *I* have to come *back?* I, too, was up there once—and I want to know *why* I had to come back!"

I knew Marunko would stay facing me on the log until he had his answer. Not only he, but Marunko's wife, sisters, daughters, sons, uncles, grandchildren, and what-not—all who had accompanied him—were waiting for the answer, their brown bodies merged into the dark shadows of the shelter. Etseru and the pilot and the mechanic, as well, stood back, glad that Marunko's question was addressed only to me. And I stalled for time to think!

Was Etseru's story true? *Had* Marunko been practically dead? If so why *was* he now alive? He had asked "why"—not "how."

Again Marunko began to pound the log, repeating his question. So I plunged in, laboriously discussing it with my poor grasp of his language and with much gesticulating to fill in the gaps.

"You say you were 'up there,' Marunko? What was it like 'up there'?"

"All white—much light—a great wide way to walk and plenty to eat," he answered.

"Were you alone, Marunko, or were there others?"

"Many others, but what has that to do with my coming back?"

"What were the others doing?"

"Going to see *Him,*" was Marunko's solemn answer with an accent on the word Him.

"And were you going to see Him, too?"

"Yes, ungh," Marunko grunted in assent.

"*Did* you see Him, Marunko?"

"No! Someone touched me on the shoulder and said 'Marunko you go back.'"

"Then what did you do?"

"I came back!—but why, why, *why,* did I have to come back?"

With every why, he struck the log in front of me, growing angrier every minute.

Again I parried for time: "Marunko, who were all these other people?"

"Many tribes."

"Were there people of the white tribes?"

"Ungh."

"Were there Piros, too?"

"Ungh." He shrugged his wide shoulders.

"Other Campas?"

Again he shrugged his shoulders.

"Marunko, you know the white men sometimes fight. The Campas and Piros many times fight. Some of the white men were chased away by the fighting right here

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between the Campas and the Piros Indians."

"Ungh—yes, I know all that."

"Well, Marunko, 'up there' were any of these people afraid, as they are here?—Or were they fighting?"

He shrugged his shoulders, "No."

"Marunko, there were Piros here just before you came."

"I know."

"Doesn't that excite you?" I kept asking him. "Will you now drive them further away?"

"No!"—and now he began to pound the log again. "What *does* excite me is to know *why* I had to leave 'up there.' 'Up there' all had something to do. 'Up there' none were without food. 'Up there' none were afraid. All liked each other. WHY did I have to come back here?"

Suddenly I knew he had given me the reason himself.

"Marunko, are you a strong chief?"

"Ungh—yes!" he squared his shoulders and beat upon his chest with pride.

"And you think it was nicer 'up there'?" I insisted.

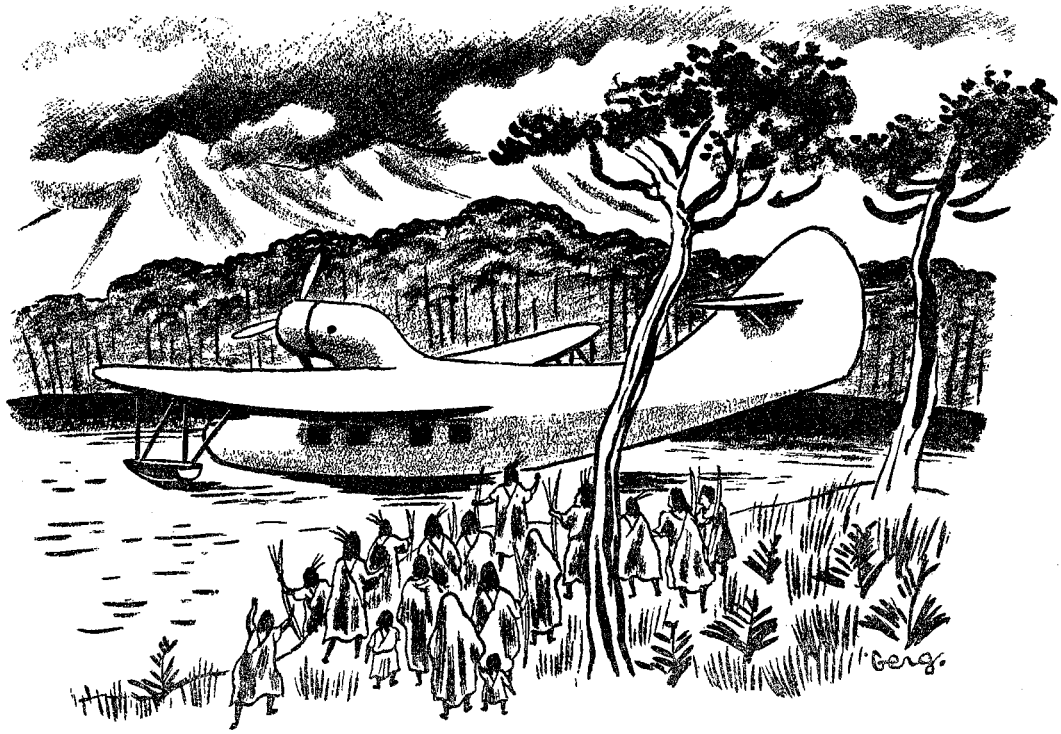
"Yes, yes," impatiently.

"Then you had to come back to try to make things better here."

I spoke more slowly that he might understand. "It is important that *strong* men now insist that all those around them do not need to fear, that all have plenty to eat, that all be able to work, and that all learn to like each other. You do not have to be chief of the far-off tribes—but you *do* have to make your own people believe these things as *you* believe them now, since you were 'up there.' When that job is done, then you will be able to go back to see Him."

Marunko's eyes never left my face, and when I had finished speaking, he was a long time silent. Then he arose with quiet dignity.— "Ungh," was all he said as he signaled to his companions and strode out from under our thatched shelter, back into the pouring rain, along the river bank, up the tree- and vine-covered terrace followed by the same long, single file of relatives and retainers. And as they disappeared from view, our Piros friends began to slip back, a few at a time, from the ravine where they had been hiding.

One day, soon afterward, the sun suddenly broke through the clouds and the rain stopped. We determined to take advantage of this brief clearing of the weather. Everything was hurry and hustle as we prepared



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to take off from the treacherous river. But we were lucky. We got up into the air and, after another bumpy ride, we finally reached Pucallpa on the Ucayali River before nightfall. Pucallpa meant contact with home, friends, a dry house, and a festive Christmas.

III

A YEAR and a month later, back in the U. S. A., a letter and package arrived. The letter came from the army pilot who had taken us into the interior of Peru. He wrote:

> I had always wanted to return to the Sepa River region. So this year, when Christmas holidays rolled around again, I received permission to fly back in. Had some trouble finding the place without your maps and Etseru's guidance but finally we spied it and used the same landing stretch. Guess who met us!
>
> None other than Marunko, the old boy himself, surrounded by *both* Piros and Campas. He immediately asked for the rest, saying that the time of the year had come again for us all to reappear. Fortunately I had the snapshots you had taken before leaving last year, and I gave him those saying they were your representatives. He solemnly bowed as he received them and stuck them up on the post of his shelter.
>
> Then when we left, he said he had a message to send you. He said to tell you that the Piros and the Campas had all been working together. They have much to do to make the earth produce more. He said they now have fruit from the trees left by the white men who ran away—and they have plenty to eat. He said they like each other and so are not afraid. He admitted there was hard fighting at first to make each man pitch in and do his part. But now it is easy; each man is himself responsible. He wanted me to witness the fact that Marunko's people are really doing their work here, and wants to know what the white tribes are doing—and when their job will be done—and when he can go back "up there."

After reading the letter, I opened the package, and there lay the long robe beautifully decorated in brown and black which I so vividly remembered Marunko wearing on the afternoon of his visit.

I fear that I cannot answer Marunko's message. Though our civilization may be able to supply a gift equal to his beautiful robe, it will not permit me to send along with this gift the assurance that the white tribes, too, have stopped fighting to get their job done.

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RECONSTRUCTION *in* *Central-Eastern Europe*

BY ANTONIN BASCH

FREE WORLD published in its December, 1942, issue two interesting articles dealing with the post-war problems of Central and Eastern Europe: Charles A. Davila's No Anti-Communist Central Europe and Jan Stanczyk's A Federation of the Peoples of Central Europe. Both authors emphasize the great importance which the consolidation of this part of Europe will have for the situation in Europe as a whole. And they suggest, therefore, that the Western Democracies should assist in their own interest these countries in their political and economic development. Mr. Stanczyk demands that "the hundred million people in Eastern-Central Europe" should be given a higher standard of living in the three spheres of labor, income, and consumption. Mr. Davila, on the other hand, underscores the significance of democratic principles which will have to be maintained by an international organization. While this part of the post-war program will find general approval, the authors should have given a little more of an outline of the work and program *their* countries will have to carry out as a counterpart of the help and co-operation they are demanding.

1. There certainly will be general agreement regarding the role of this area in the development of Europe; there will also be general consent as to the urgency of economic development of the retarded regions, and as to the necessity of working out a solid basis for democratic regimes. It is equally evident that this part of Europe will need more help from the rest of the world than almost any other European country. Though it is up to historical analysis to find the causes of the collapse of the post-war system in this region, we should, nevertheless, in preparing the post-war program learn from clear failures and omissions in the recent past. As Mr. Davila points out, the Western powers failed to recognize in time the political and economic importance of this area. They made a fatal mistake in allowing the Austrian *Anschluss,* and in tacitly accepting in Munich the thesis, held so widely at that time, that Central and Southeastern Europe are in Germany's sphere of interest, and are part of the German *Lebensraum.*

However, when speaking of the omissions of the Western powers and, at the same time, emphasizing the need of their help and co-operation after this war, we must not overlook the mistakes made by the interested countries themselves, which made it easier for the "appeasers" to support German program. We may ask the question why democratic regimes established throughout this region after 1918—except in Hungary—could not be maintained anywhere but in Czechoslovakia and were replaced by fascist or semi-fascist regimes. There was, after all, no great difference between the Beck regime in Poland, Stojadinovich in Yugoslavia, Horthy in Hungary, Goga and his successors in Rumania. How can it be explained that the agricultural block of the Danubian countries and Poland, created in 1930-31, was not able to achieve a united policy of its members, at least in their negotiations with Germany when the German trade drive, menacing all of them, started in 1933? Why did the interested and equally menaced countries not initiate a common policy to prevent the Austrian *Anschluss?* Why did the Little Entente and Poland not pursue a common policy against

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Germany during the Munich crisis (not to mention the open Polish action against Czechoslovakia)? Such a policy might have been able to change the trend in France and Great Britain, where German propaganda effectively used the argument of the so-called Balkanization of Central Europe and of the need to follow the German plan in order to avert a complete breakdown. These and other questions have to be studied in order to get a clear and firm basis for post-war policy with the aim of introducing and assuring *democratic* regimes and economic development and progress.

2. Mr. Davila indicates that some fundamental principles must be obligatory for all countries; they are the irreducible rights of free speech, free press, and free exercise of religion. Every minority should be protected by the international community in the enjoyment of these rights. But I wonder whether granting the rights would provide a sufficient basis for establishing a democratic regime and securing the needed atmosphere of legal safety and general confidence. After the war, it must be the first task in all European countries, and in particular in Central and Eastern Europe, to re-establish basic legal security for everybody, for every phase of daily life, a security which in some of these regions has not existed during the last decade. This juridical order of society, granting the same basic rights to all, would be greatly strengthened if supervised by some international body. I regard the passage in the Pope's last Christmas message which refers to this point as very pertinent.

Formal democracy alone will not be able to cope with the real problem. The experience of the past decades teaches us that our emphasis must be on something more than a formal political organization with a parliamentary machinery and political parties. We have to emphasize the democratic way of life, without which even an ideal constitution may soon degenerate. To achieve all this is a great task of *education* in democracy. A low percentage of illiteracy is not sufficient proof that people are mature enough for this most difficult political regime; less than one per cent of illiteracy in Germany did not establish democracy there and did not prevent the introduction of nazism.

A constitution similar to the American Bill of Rights, coupled with education concerning its significance, will be necessary. Furthermore, it will be necessary to attempt systematically a change in the general attitude with regard to the relations between the people and the government. There is an enoromus difference between the position of the authorities and their officials in Anglo-Saxon countries and in Central and Eastern Europe. That "the government exists for the people and not the people for the government" must be accepted as a principle in Europe. This applies especially to those regions where remnants of the feudal system or of absolute monarchy are still very much alive. We have to pay special attention to this problem because we must realize that the German ideology will leave its mark on the mentality of these people, even though they may not be aware of the fact that they have acquired some German ways of thinking.

Similarly, a new set-up in the structure of the political parties will be needed. If one attempts to control and to eliminate the monopolistic position of big business, which has been held responsible by the politicians for the greater part of the present fiasco, it is equally necessary to prevent political parties or other pressure groups from using their political influence upon the government to provide special economic privileges and advantages to a part of the population. The history of managed economy in the years before the outbreak of the war illustrates strongly how necessary it is to remove from a democratic regime this kind of interference.

The whole program is one of *development;* it is a slow process which as we hope will be speeded up by the great momentum that Democracies will gain and retain after the war. But one fact must be emphasized again and again. A line must be immediately and clearly drawn between democracy and all sorts of fascist or semi-fascist elements. Nothing could be more dangerous and costly than a policy of appeasement or of indetermination in this respect. An unequivocal statement of all United Nations, accompanied if possible by action would be of great value in present political warfare. And the Allied governments, including those in exile, must cease trying to

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postpone discussion of various questions even though they may be unpopular. Problems cannot be solved by postponing them. This is not a real policy but only a political game.

3. In the field of economics there is general agreement on at least two points. A federation or several federations should be created in the area between the Black Sea and the Baltic, including in particular the following countries: Poland, Czechoslovakia, Austria (although Mr. Stanczyk does not mention Austria, I hope this is only an oversight as hardly any balance could be maintained in this part of Europe with Austria belonging to Germany), Hungary, Yugoslavia, Rumania, Bulgaria, Greece. The backward sections of this area have to be developed not only agriculturally but also industrially in accordance with the policy of economic expansion and free international trade. But these principles will not suffice.

The time had come to prepare detailed programs. Thus far, the plan to form a block of nations was motivated more by a negative aim—a desire to prevent or check new German aggression; and in some circles, a fear of a Russian expansion—than by a clear positive program. Mr. Stanczyk complies with this demand in putting the necessity of economic independence on the level with political independence. In order to formulate a new economic program, a clear analysis of the past ought to be made. I do not think we have it in Mr. Stanczyk's assertion that Germany's industrialization was made possible by the fact that other countries supplied Germany with cheap food, raw materials, and cheap labor, and bought finished goods from her. The following table illustrates this fact.

PER CENT OF TOTAL GERMAN TRADE

Country	Imports from		Exports to	
	1929	1938	1929	1938
Southeastern Europe	3.8	9.8	4.3	10.3
Czechoslovakia	3.6	2.4	4.9	2.6
Poland	2.5	1.8	2.5	2.0

Moreover, less than 15 per cent of the total Polish foreign trade in the years 1935-37 was with Germany, while Czechoslovakia and Austria did 15 to 16 per cent of their total trading with Germany. Thus we have to look for other explanations of the difficulty in developing the backward parts of this region.

The economic program must start by regarding this whole area as part of Europe; it must tend to a greater economic integration of the European continent. It must assume international economic co-operation and examine all the necessary transformations of national economies which will have to be made in such co-operation. This will call for a structural shift in European agriculture toward protective food production satisfying the tendencies of modern nutrition. Again, the vast need of education in farming in various parts of this region is evident. No false pride should stand in the way of accepting technical help and advice from the United States, for instance.

The term "federation" must have a concrete meaning, especially in the field of economic co-operation. We will have to ask whether the sponsors of a Central Eastern Federation have in mind a complete economic union or whether they favor another looser kind of close economic co-operation, such as some preferential regimes. How far are they ready to go in *adjusting* their economies in order to achieve such co-operation? There are some proposals demanding, for instance, an entirely free movement of population, free migration within each federation. The greatest part of the area in question has suffered from relative over-population in agriculture; but it must be clear that migration within this area cannot settle the problem which is international in character. And the purpose of a federation can certainly not be attained in lowering the level of living of those member states which have been enjoying a higher level for some time. The goal of any kind of co-operation can be achieved only if there will be a rise in the standard of living of all participants. The economic nature of a customs union has changed very much during the period of intervention. To achieve the goal previously attempted by a customs union we must, therefore, proceed further to a type of economic collaboration which involves unification of the most important parts of the national economies of the member states, coupled with a uniform economic policy.

How ready are these states for union and how many of the requirements do they

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possess? The whole area is not homogeneous economically and socially. It ranges from highly developed industries, especially in Czechoslovakia and Austria, to industries created in agricultural countries under extreme protectionism; there are similar differences between very intensive agriculture in the western parts and almost primitive farming in other parts of the region.

This indicates the need for a discussion of the details of the proposed economic and social system. Greater government control and planning are everywhere accepted as a part of the program. But the nature of this planning should be made clear, especially in view of the experience during the last decade. It should be underscored that planning involves the establishment of general directives for national economy but is not intended to replace private economic activity by government action, that it is not identical with government interference in everyday business. And furthermore, a line should be drawn between economic democracy and economic totalitarianism, a distinction which is not sufficiently clear. "Making the world safe for bureaucracy" is certainly not among the post-war aims. Some proposals of economic control clearly transgress into the sphere of economic totalitarianism. Therefore, it would be of great value to indicate that political freedom is hardly compatible with comprehensive economic regimentation which always offers the danger of totalitarian tendencies. It is especially important to emphasize this fact in the case of the countries which introduced various types of regimentation long before the war started. A study of the relationship between this kind of regimented economy and the development of semi-fascist regimes in the past would be very useful.

It should be made evident that the policy of economic expansion, of the development of the backward countries must center around the increase and improvement of production. No country can profit from the weakening of another country; no great improvement can be expected in countries with low national incomes by considering merely the question of better distribution of such income. This does not mean that land reform is not urgent in the countries with large estates, particularly in Poland and in Hungary with her remnants of feudalism. Moreover, the fiscal policy, which in the majority of these countries operated with a prevailing regressive system of taxation, must be changed in favor of a progressive system. It is surprising how this system of taxation was ignored by progressive politicians. There were the highest consumer taxes on sugar, coffee, tea, matches, coal, even salt, and other goods in daily use in the countries with the lowest level of living. A change in this system is essential to raise living standards.

4. In view of the complexity of the special problems of Central and Eastern Europe, it would be advisable to have a committee or a commission of the United Nations appointed for the specific task of suggesting the possible solutions. This commission, consisting of members of the major powers and representatives of all the counties in this region that are now in the camp of the United Nations, cannot begin its work too soon. The participation of Russia would be very important and useful. For the development of Russian economy opens new prospects for her economic relations with these countries. Expansion of trade with Russia may be of enormous help in the economic development of this area.

But this is only one of the many common problems which require solution. A similar one is the future relation between this region and Germany. There are also questions which concern individual countries, but not all of them together. The task of the commission will be to analyze and discuss these questions as candidly and as realistically as possible.

Naturally, the governments-in-exile will not be able to commit themselves to any of the solutions before they obtain an expression of opinion from their people. But this need not delay the preliminary and exploratory work. The people will need guidance; they will rely on the great powers to provide political programs as well as material aid. A concrete plan, based on the Atlantic Charter, may save them from a period of chaos and disorder. The task calls for unity in the basic aims of the United Nations, for determination and imagination on the part of the leaders of the major powers as well as of the representatives of these oppressed nations.

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PLANS
FOR THE FUTURE

XII—Third Report of the Commission to Study the Organization of Peace

By Clark M. Eichelberger

THE Third Report of the Commission to Study the Organization of Peace, which urges a continuing Conference of the United Nations with such subordinate agencies as are needed, has been widely acclaimed by the American people as giving leadership to the rapidly developing public opinion in favor of facing the problems of world organization before hostilities cease. The press and the radio have carried the major conclusions of the report throughout the country, and the report itself has been placed in the hands of regional commissions and study groups.

It follows logically upon the First Report which discussed the fundamental bases of lasting peace, and the Second Report which outlined the problems of reconstruction to follow the war. It received the unanimous approval of a hundred outstanding experts in the field of international relations who deliberated for six months, as well as the support of the regional commissions. The Commission recommends the continuing Conference of the United Nations and subordinate agencies in order to "prepare programs for the future and to develop agreement upon the principles and procedures necessary to build the better world to which they [the United Nations] are committed."

While making it clear that the military conduct of the war could not be turned over to a continuing United Nations Conference, the Commission believes that such a body could be of infinite help in winning the war. "It could state and propagate widely the developing aims of the United Nations; indeed, the mere announcement of its establishment would be an important part of the psychological warfare now being waged. It would help to maintain among the United Nations a sense of participation, of unity, and of confidence in leadership; it would contribute to the morale of the peoples of the United Nations and draw the support of those not in the war, and even of enemy peoples."

But "the most important task of the Conference would be to plan for the future, both for the period of reconstruction and for the establishment of a permanent world order." All of the United Nations should participate, and those nations also that have broken off economic and diplomatic relations with the Axis. The Conference organization of the United Nations would expand, and as victory nears, the organization would grow in strength and add new agencies.

The Report defines in some cases and implies in others vital reasons for the organization of the United Nations now. One reason is the necessity of a United Nations plan of occupation. The day after American and British troops had occupied many points in North Africa, the headache of reoccupation began, a headache which was to harass the military commanders whose first consideration was elimination of the Germans from North Africa as a prelude to

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the invasion of Europe. There were presented then in North Africa a series of problems which are indicative of the problems to be met wherever people are freed from the nazi yoke. The Commission properly asks the following questions:

> As Allied victories continue on the European Continent what commitments for the future are to be made in each area conquered? Are promises of territorial or other reward for surrender to be made by the national military commander who happens to be in charge? . . . How can we expect to come out with one peace at the end of many separate ones, unless agreed aims and procedures regulate each?

And in answer to these questions, the experts conclude that a common strategy for peace is as important as a common strategy for war, and that it is important also as part of the war strategy itself. The occupation should be in the name, not of a single occupying force, but of the United Nations.

A realization of the magnitude of the problems of reconstruction presents a most impelling reason for the organization of the United Nations now. When hostilities cease, which probably will not happen simultaneously throughout the world, there will be problems of reconstruction so great and so pressing that there will not be time to prepare the strategy of their solution. These solutions must be prepared in advance. Finally, the United Nations should be organized now to plan the permanent system of security and justice which must follow the war.

The Second Section of this report considers the aims of the United Nations as defined in the Atlantic Charter. While recognizing the social and economic promises to all men and nations in the Atlantic Charter, the stern fact must be constantly emphasized that unless war can be brought under control through a system of political security, the economic and social ideals of the Atlantic Charter cannot be attained. It is useful here to quote one of the most important paragraphs of the report:

> The realization of human ideals is the inspiring promise of the Atlantic Charter. Its great advance over any previous program for a peace settlement lies in its vision of a better social order in which the needs and aspirations of individuals are recognized. The achievement of these goals is the declared purpose of the United Nations. But if a state must be prepared to stand alone against the threat of modern war, it must organize its internal resources, human and material, for this purpose, and its capacity to engage in measures of international co-operation will be limited. It must necessarily work toward economic and military self-sufficiency; the restrictive measures which it is forced to adopt will bring disaster upon it and upon the community of nations. The vicious circle thus created can be cut through only by bringing war under control, thus enabling each state to co-operate with others and to develop the welfare of its members.

One of the reasons why the Atlantic Charter is epoch-making is that, perhaps more than any other document in history, it makes the individual one of the major concerns of international relations. This is in striking contrast to most such documents which were concerned with states and dynasties rather than with individuals. In nineteen simple words the Atlantic Charter declares for a world in which "all the men in all the lands may live out their lives in freedom from fear and from want."

The Commission recognizes that this emphasis upon the security and freedom of the individual "will require international law in many areas where it has not hitherto operated; and authorty must be provided for enforcement of this law." The commitments of the Atlantic Charter therefore may require that international law should reach in some cases to individuals as well as to states. "It may be necessary to promulgate a Bill of Human Rights, specific in such cases as freedom of information and discussion, broad in the protection of the 'four freedoms.'"

As for the supplementary agencies which the continuing Conference of the United Nations might need, there are valuable existing agencies which should be utilized, or from which experience can be drawn. These are particularly the technical organizations of the League of Nations and the International Labor Organization. Also there are a number of wartime agencies which might be utilized for reconstruction and transition. The United Nations machinery should weld together the newly created wartime agencies and those organizations whose past peacetime experience has prepared them for post-war service.

Additional United Nations agencies will be needed. Probably the organization headed by Governor Lehman will soon lead

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to a United Nations Authority for Relief and Rehabilitation. An accompanying organization on health will be necessary. For, as the experts in the field of nutrition and health who assisted in preparing this section of the report declare, the problem of nutrition is one aspect of a general program of health and rehabilitation. "Already typhus fever—that age-long camp follower in the wake of armies—is reappearing in the Vilna-Grodno-Bialystok triangle where it raged during the retreat of Napoleon, and again in 1921, and has been carried into Asia by the refugees fleeing from the German terror. . . . Hospital accommodations, medical supplies, doctors, and nurses will be urgently and instantly needed. All such provisions depend upon priorities, upon transportation, upon financing; and all these depend upon prior preparation."

Among other agencies which the report anticipates will be necessary are: an International Agency of Migration and Refugees, a United Nations Shipping Administration, and various economic and social agencies such as a United Nations Development Authority and an International Bank. A brief but important section of the report deals with education in the principles of the Atlantic Charter and the Four Freedoms. A greater Committee on Intellectual Co-operation is envisaged with more recognition of the importance of its work. Quite properly the report does not attempt to be dogmatic as to the exact name and scope of such agencies. In its Fourth Report it will attempt to deal more fully with the problem and recommend such agencies, but certain agencies are suggested which must be created to meet particularly the problems of economic and social reconstruction. The commitments of the Atlantic Charter clearly leave states free to choose their own economic way of life, but only through co-operation can nations preserve their own way of life.

If one wonders why the stern truths of this Commission report are so hard to grasp, he might permit his mind to dwell upon what profound economic and social changes have come upon the world in a very brief period of time. The people of the Western Hemisphere must realize that the period of pioneer isolation has ended; the older peoples of the world must understand that the period of colonial expansion and exploitation at the expense of one's neighbors has also ended. But a new pioneer spirit is as needed today. Modern production and transportation make it possible for all of the people of the world to enjoy a decent standard of living. In raising living standards there is room for as great a degree of individual initiative and reward as the world has ever offered, but they must be exercised within the field of social and political co-operation. One more community needs to be built, a community of the peoples of the world.

The concluding section of the report is headed "Toward a Permanent World Order." After pointing out the necessity for a clearer understanding between the United States, Great Britain, the Soviet Union and China, (and the framers of the report believe that such an understanding is possible if approached now) the report indicates that out of the agencies set up to meet the problems of reconstruction there may grow the agencies of permanent world organization.

While the report was in the hands of the printer, it was announced from Washington that a food conference of the United Nations will be held shortly. It would seem logical that such a conference might result in the establishment of a permanent international agricultural agency to give the world "freedom from want of food." One may imagine succeeding meetings. A conference called to relieve post-war depression and to achieve rapid industrial reconstruction might lead to a permanent international economic organization after the model of the International Labor Organization.

Again and again the Commission reaffirms that security is the basis for all post-war reconstruction and the permanent organization of the world must have strong machinery to prevent aggression. The moral and physical shock of this war will be so great and the world will be so exhausted that it will be with the greatest effort that the nations avoid retrogression to a dark age. The margin between planning now the spiritual, moral, and economic techniques for reconstruction and waiting a few years until the war is over, may be the difference between victory or defeat for mankind.

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What Does Russia Want?

THE growing recognition that in order to get the participation of Russia in a future world organization due consideration must be given to her territorial as well as economic and political problems has stimulated an interest in precisely what these problems are and what are the solutions which Russia considers desirable. The Editors herewith present a report of Russian views made by our research department. It is based on a survey of both news and opinions presented in the press of the U. S. S. R. which obviously voices the official point of view. The three subjects treated below are considered of paramount importance by the Russians. In discussing them the press has in mind, first of all, the effect on the morale of the Russian people, but it is also interested in influencing the Allied Nations.

The Second Front

IN the past year, Russian propaganda has laid particular stress on two aspects of the second front: (1) Above all Germany desires to avoid war on two fronts; (2) The Allies agreed to open a second front in 1942.

Thousands of articles and drawings make the point that Hitler could be defeated quickly if he were attacked on two European fronts. In the summer of 1942, when the nazi offensive reached its peak, this propaganda also reached its greatest intensity. One of the points made was that the great losses suffered by the Russian Army and people would be considerably reduced as soon as a second front was opened. It was absolutely necessary to stress this point in order to prevent the Russian people and the army from being disheartened by the terrible sacrifices they were making.

Soviet propaganda has never been "defensive" propaganda. Moscow does not say: "Hold on! The Allies are soon going to land in Europe." On the contrary, it announces that an Anglo-Soviet-American pact has been drawn up to co-ordinate the attack on the Nazis and it demands offensive action from its own people to vie with the military might of its Allies.

This emphasis on the quick defeat of the Nazis naturally eliminated any extended discussion of Allied aid in the form of military supplies. For it was more important to stress the promise of military assistance than to point out the actual material help which Russia was receiving. It was necessary to balance the extreme sacrifices that millions of their people were making by assurances that the Allies were preparing to make similar sacrifices. When the second front failed to develop, Russian propagandists could not admit that they had been too optimistic. It was necessary to lay the blame on the Allies by a subtle shift in their propaganda. Thus, now the official declarations state: "Hitler is not being defeated quickly because we alone are bearing the full weight of the war in Europe." Yet it must be recognized that not a word of polemic is added to this statement. It is more an explanation than a complaint.

Relations with the Allies

SOVIET newspapers are printed on four pages. Three pages are filled with war communiqués, reports from the front, and questions of industrial and agricultural production. The fourth page is reserved for news from abroad. On this page and in numerous articles in the periodical press, the Russians call attention to all Allied victories, analyze them, and stress the strength of the Anglo-Soviet-American bloc. This is a general policy in accordance with the declaration of Stalin, headlined across the first page of the newspaper *Pravda* of November 15, 1942: "We are fighting a great war of liberation. We are fighting it not alone, but with our Allies. Long live the victory of the fighting Anglo-Soviet-American alliance."

On the contrary, the press explains objectively the Allied viewpoint, especially when the difficulties of shipping matériel are discussed. There are constant references to the fact that this is one of the reasons why the second front has been delayed. At the same time, the newspapers in Murmansk and Archangel constantly

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publish stories about the exploits of the Allied ships which fight off the submarine wolf packs that attack the convoys to Russia. Similarly, the Moscow press never plays down any declaration about Allied aid. Nevertheless, to American eyes its treatment of this news would seem anything but sensational. For Russian papers run to sober and quiet headlines. Thus, under the title, "A Speech of Mr. Harriman," *Pravda* and *Izvestia* reprinted in two columns the full text of the address in which the American "lend-lease expediter" stressed the fact that despite all Hitler could do, Allied supplies for Russia were coming through.

When Ambassador Standley was on leave in the United States, his statements were reprinted in the Moscow press. Reports on lend-lease material are likewise published in Soviet newspapers. In popular weeklies which carry pictures, the industrial power of the United States is shown in countless photos, while technical journals are full of descriptions of Allied war matériel. The Russians are fully aware that they receive supplies from the United States and the British Empire via Murmansk and Iran. In the weekly *Ogoniok* photos were reproduced from the New York *Daily News* (with the source given) which carried this legend: "American, English, and Australian boats are bringing war supplies to Iran for the anti-Hitler forces." Every Russian knows, of course, that Soviet troops are stationed in Iran.

As regards America, we find the following types of items in the press: (1) At every opportunity Russians sing the praises of American efficiency and initiative; (2) They have many laudatory stories about the miracles of production in the United States; (3) They report all victories over Japan, featuring such important events as the Battle of Midway, the triumph at Guadalcanal, and the exploits of the American air force in China. Japan is always mentioned as one of the common enemies of the Allies.

The press takes every opportunity to dwell on Russo-American friendship. The following quotation from *Ogoniok* is characteristic of the comments of Russian periodicals: "The friendship between our people and the American people is based on strong traditions. Today it has assumed the character of close military collaboration. The free peoples of the United States and the other overseas republics are fighting with us against the brigandage and slavery which Hitler and his gangsters have thrust upon the world."

The Soviet press does not underestimate the importance of the invasion of North Africa. "In North Africa," we read in *Pravda,* "our allies have dealt serious blows to the German and Italian forces. There is no doubt, and there cannot be any doubt, that in the fight now raging in Tunisia our Allies will score another victory. This will open to them the road into Europe for the establishment, as Stalin told us, of a second front closer to the vital organs of the Reich."

One recent issue of the review *Mirovoie Khoziaistvo* (*World Economy*), deals with the American-Japanese war. After analyzing Japan's strength, the author states that Tokyo virtually lost the war at the end of 1942, because it is unable to carry on a long struggle. Addressing himself to Americans, he asks them to direct their main effort against the chief enemy—Hitler. Once he is beaten, it will be easy for the Allies to finish Japan. In view of the present relations between the U. S. S. R. and Japan, the writer refrains from saying directly that Russia will come to the aid of America in the Pacific after the defeat of the Fuehrer, but this assertion can be read between the lines.

The War Aims

TURNING from the daily press to the large magazines and the publications of such institutions as the Academy of the U. S. S. R. and the Institute of Economics, we find that their ideas concerning war aims are based on carefully studied premises.

When Stalin addresses the Soviet Army, he naturally declares that his foremost objective is to drive the Nazis from Russian soil, since this is the goal closest to the heart of all Russians. But there need be no speculation whether the Russians will stop at their borders if we study the reports on foreign policy issued by Soviet experts. All state that the war cannot be ended without the complete destruction of nazism and the liberation of the conquered peoples. To render the Germans—and they insist on the use of this term—incapable of again menacing the world, this is the foremost objective of the Russians.

The Nazis, the Russian writers point out, are not waging war against the Soviet regime as such. They have attacked countries which have entirely different governments. They seek world domination and the exploitation of conquered peoples. The Allies who took the field against Germany, the Russians explain, were forced to do so in order to remain masters of their own destiny.

In regards to the boundaries to be fixed after the war, the view is constantly expressed that the frontiers Russia acquired in 1939-40 must be maintained. This thesis was developed in a series of pamphlets, published by the Academy of Science, about the countries whose borders

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adjoin the U. S. S. R. It is based on the assumption that Russia's acquisition of more favorable strategic frontiers softened the blow struck by the German Army in 1941. These frontiers, the experts also argue, correspond to ethnographic conditions, and more especially, to the wishes of the population concerned as expressed by plebiscite. Anticipating the argument that a plebiscite taken after military occupation of a territory does not express the popular will, they call attention to the general rejoicing which accompanied these "plebiscites of liberation."

A further argument used in this connection is that Germany exploited the small countries in its intrigues against the Soviet Union. The experts claim that the revised frontiers will forestall any attempts to renew the *cordon sanitaire*. In a rare but frank reference to the Allies the Russians declare: "You, Frenchmen and Englishmen, started this policy, but the Germans benefited by it. History must not repeat itself." To bolster this point, the Russian historians present a carefully documented study of the German technique of infiltration into the Baltic countries and into Rumania, which was aided by the Allies because the latter permitted the Germans to exploit "the bolshevist peril."

In no case will Russia permit the establishment along her borders of a state which may become a threat to her security. The Russians never accuse any peoples, but only their governments. Their post-war agreement with Britain is especially designed to prevent the rise of a government which will menace the security of the two signatories. Unfortunately, however, the term "security" is not defined. From the Soviet viewpoint, the Baltic countries and Bessarabia are indispensable to Russia's security. Bessarabia, occupied by force by the Rumanians, must therefore be returned to the Soviet Union. As for the Baltic countries, it is claimed, they want to belong to the Soviet Union. Since 1939, the *Navy Review* has insisted that the development of the U. S. S. R. makes it imperative for her to have a large "balcony" on the Baltic Sea.

Until recently, the Russian press has been very reticent about ultimate arrangements concerning Poland although some time ago it was assumed that certain Polish provinces would go to the Soviet Republics of Ukraine and of White Russia. Apparently the Russians thought that they could reach an amicable agreement with the Poles. The re-emergence of certain nationalist tendencies in Polish refugee circles has, however, renewed Russian speculation concerning the Polish frontier. Most of the Russian writers take the position that the decision of the territorial question will depend largely upon the political trends in Poland. It is understandable that the Soviet leaders will want to make sure of one of two things: either that future Polish regimes will not menace Russia's security or that such a menace will be minimized by "strategic frontiers."

A similar situation exists in connection with Finland. The Russians have pointed out that their occupation of Viborg made it possible for them to defend Leningrad. So long as Arctic Russia can be menaced from the west, the Soviet experts insist, so long will it be necessary to establish the most favorable frontier line.

Finally, it must be noted that these claims are often made contingent on post-war developments. Again and again the Russian press stresses the fact that an Anglo-Soviet-American bloc will have a decisive influence on post-war reconstruction. It is even implied that the Soviets will make whatever concessions are required to maintain the best possible relations with Great Britain and the United States.

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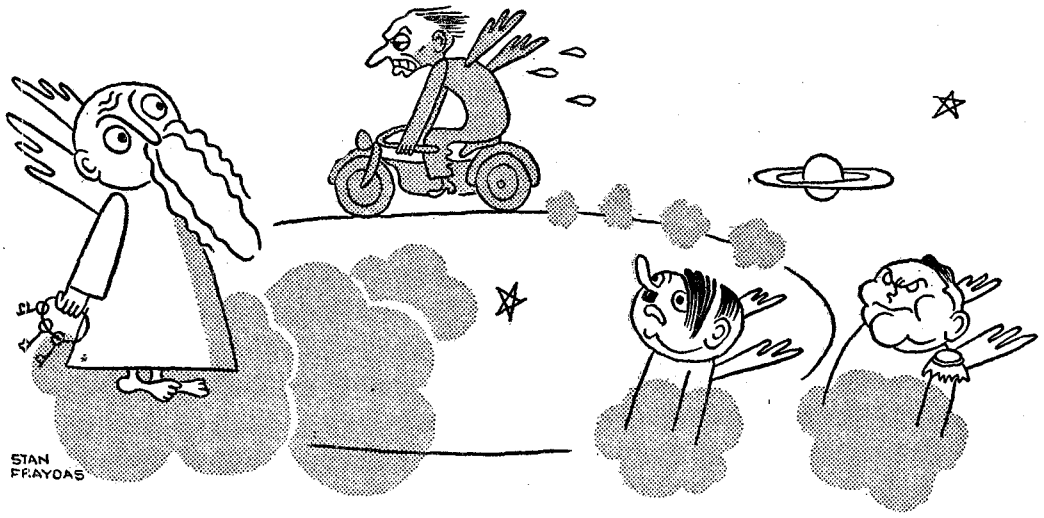
THE UNDERGROUND REPORTER



The Weapon of Humor

by Pierre Dupont

HUMOR has just received its highest commendation as a weapon of war from Robert Ley, the humorless drunkard who is head of the Nazi Labor Front. For ten years it has done its work in Germany of deflating the nazi personalities; now both within the Greater German Reich and outside, in the occupied countries, it is used to destroy the position and the reputation of the Nazis. This has called forth Ley's warning in Goebbels' paper, *Der Angriff:* "To tolerate stupid jokes would be suicide. If you hear anyone telling jokes on the street car, in the barber shop, or at work, you must knock him down immediately."

In the occupied countries, jokes at the expense of the invader were not utilized immediately. The leaders of the Underground were busy with more urgent tasks, gathering their scattered forces, organizing sabotage, establishing communications with the outside world. And the man in the street was literally dumfounded: the catastrophe was so overwhelming and so depressing that he had neither the wit to recognize the ridiculous side of his conquerors nor the spirit to use the weapon of ridicule. But it was not long before the professional journalists who began to edit the underground newspapers recalled the deadliness of laughter and proceeded to use humor as an instument in the debunking of the myth of nazi power.

What worries the Nazis most is that not only civilians are grousing. Hundreds of stories, brought back by men on furlough, show that critical jokes are being circulated in the army. Thus the civilians and the military exchange stories which ridicule the nazi regime. The Russians, who consider humor a very important weapon, question their prisoners at great length to find out what sort of jokes are being passed around in the Germany Army. Exact transcriptions of the answers of thousands of men are then studied, not only as an indication of the mood of the army, but also as valuable material in the preparation of propaganda. These stories are not necessarily funny in themselves. Their essential characteristic is that they reveal all the criticism of the nazi regime, the normal expression of which has been suppressed by a system of terror.

The following stories are most commonly heard on the central front in Russia. The first two show how little faith the German soldiers have in their information service and what they think of Goebbels.

Hitler, Goering, and Goebbels arrived in heaven.

"How often have you lied?" St. Peter asked the first.

"Once."

"Then you must go once around heaven. And you, Goering?"

"Twice."

"You go around twice, then."

When St. Peter turned to speak to Goebbels, the latter had disappeared; the propaganda chief had gone back to earth to get a motorcycle.

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One day what seemed to be a huge turtle was crawling along Wilhelmstrasse. When children began to throw stones at it, it poured out a torrent of abuse obviously quoted from the latest bulletin of the German Information Service. The turtle turned out to be Goebbels who, as protection against an air raid, had put on so enormous a helmet that no one could see the little man.

The German soldiers know, of course, that the peoples of the conquered countries hate them bitterly; they themselves tell the stories which illustrate this hatred. Two that have made the rounds of Europe are:

A man (Pole or Frenchman or Czech, etc.) says that he is working twelve hours a day for the Germans. Asked what his job is, he answers, "Grave digger."

•

The Fuehrer's car turned over and caught fire, but he was rescued by a young farmer. When Hitler asked the youth what he would like as a reward, he received this surprising answer: "I'd like you to provide a first-class funeral for me."

"What makes you think you're going to die?" asked the death's-head of our time.

"When I get home and my father learns what —— I've saved, he'll kill me on the spot," the simple lad replied.

The raids of the R.A.F. are responsible for hundreds of stories, many of which are based on Goering's boast that English planes would never be allowed to damage Germany. The soldiers often reveal their native cities by the geographical variations in a story like this one:

One day Goering himself went up in a plane to have a look at the damage the Luftwaffe had done to England. After an hour's flight, he noticed far below a scene of utter devastation and exclaimed, "Fine, fine. The boys have done a good job here!"

"But, Marshal," the pilot exclaimed, "this is Cologne!"

Finally, there is the story which the prisoners tell with special zest to their Russian captors, explaining that during the days of the Weimar Republic the cry, *"Rot Front,"* was a rallying signal for Leftist organizations. Its political trend is obvious.

Two Germans were discussing their troubles, especially their fear of being sent to the eastern front. They finally agreed that they would be safer and better off in jail and decided to steal something in order to be sent there. Unfortunately, not a store nor home had anything worth stealing. So they determined to risk a concentration camp by committing some minor political crime. They walked over to the home of the district fuehrer and rang the bell. The nazi chief opened the door himself.

"Rot front!" shouted the slackers.

The petty fuehrer reached for his hat and coat, crying out, "What, has it started already?"

The Underground publications in the occupied countries run comic columns. One of the most noted of these is called The Club of the Guerrillas which, in turn, has followed the style set by the *Crocodile*, a Moscow weekly, which prints humorous verse on timely topics.

Thus, one day the *Völkischer Beobachter* published the statement: "Our peasants understand the meaning of racial purity. They may be justly proud of our Prussian cows, which are better in many respects than Herefordshire kine, but none would think of being proud of Heine or Einstein. Bearing in mind the continuation of the race, we must be inspired by the example of our peasants." Immediately thereafter, The Club of the Guerrillas appeared with the following comment in verse:

The purity of Aryan blood
Is respected in the cow.
The pure-blooded Prussian beast
Is higher than all other species.
The Germans worship with veneration,
Neither Einstein nor Heine,
But the cow and the bull,
Because the cow has an enlightened mind
And healthy spirit,
Whereas from Heine and Einstein
There is neither calf nor milk.
We shall arrange all the proper conditions
So that, from now on,
Our blood shall be pure,
Like the cow's.
And we must low, like the cow,
Creating pure-blooded beasts!
So that the father, looking at his son,
Can meritoriously say:
"A real beast,
"Exactly like his father and mother."

II

IN the occupied territory of Russia, Underground papers have begun to revive a folk character called Ivanouchka who is an amiable kind of idiot with a faculty for mixing up names and things to give a comic effect. Thus he comes forth with the combination, *"Goebbelziana,"* for Goebbels. It is no mere coincidence that *obeziana* is the Russian word for monkey.

But nowhere has a well-known type been utilized with such perfection of satire as in Czechoslovakia, where the Underground press has resurrected that glorious clown, Schweik the Good Soldier. Schweik was the hero of a book written after

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the first World War which immediately was acclaimed as the Don Quixote of its time and country. Schweik's incredible stupidity invariably managed to damage the Austrian officers who had forced him into their army, and he became a symbol of instinctive resistance to the oppressor.

Now again, he is being used to portray the opposition of the Czechs to their would-be masters. The pamphlet, "Schweik in the Protectorate," is being circulated in Czechoslovakia under the innocent guise of a German grammar for Czech students. A copy has recently reached the newspaper *Czechoslovak* in London, and we are grateful to the Czechoslovak Information Center for permission to present it in translation. The new adventures of the good soldier begin at the time of the supposed attempt on Hitler's life at Munich, late in 1939. We now let the unknown author tell his story.

"So they've nearly killed our Adolf," said the maid to Mr. Schweik, who earned his living by selling dogs, horrible mongrel monsters whose pedigrees he forged. Apart from this occupation, he was affected by rheumatism and was just rubbing his knee with ointment.

"What Adolf, Mrs. Mullerova?" asked Schweik, calmly rubbing his knee. "I know two Adolfs, one who was an assistant at Vitek's chemist shop, and he has been in the concentration camp for six months now because he sold concentrated sodium chloride only to Czechs. And then I know Adolf Kokoska who collects dog droppings. He's in a concentration camp, too, because he said that those of English bulldogs are the best. Still, it's a pity about both of them."

"But, my dear Mr. Schweik, it's the Fuehrer Adolf, that Hitler, the one with the mustache who used to be a paper hanger."

"God gracious!" exclaimed Schweik. "That's a good one. And where did it happen to the Fuehrer?"

"There was an explosion just beside him in a Munich beer cellar; it was a bomb, you know, sir. He was making a big speech there about this living-space."

"Well, I never, Mrs. Mullerova—a bomb and in a Munich beer cellar! I'm surprised he doesn't go to better places than that."

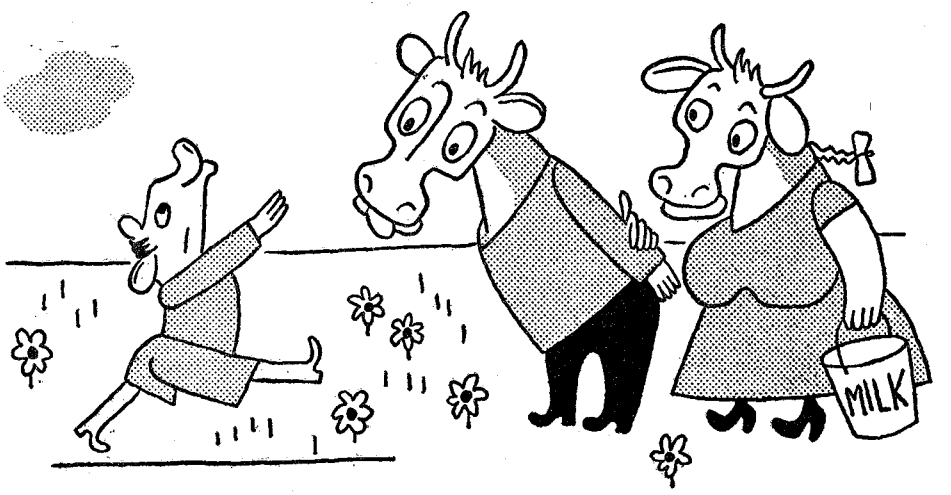
After a brief exchange of views with Mrs. Mullerova, Schweik returned to the subject: "I am sure that they will put pictures of Adolf in the schoolbooks, sitting there by the pillar when the explosion happened. Was he in pain for long?"

"But, Mr. Schweik, he wasn't there at all; he must have shortened the living-space or something because he finished early. It only killed seven old fellow fighters who had stayed there for a cup of rye coffee, and sixty-three members of some party or other were wounded. He's still alive."

"Good gracious," exclaimed Schweik. "So it isn't the same with him as it was with Ferdinand in the year '14? Dear, dear, that's carelessness. Fancy making a bomb for the most famous man in history and fixing it so heedlessly that it explodes when there are only a few ordinary old fellow fighters around. Any sort of ordinary truncheon would have done for that. This modern mass production is never worth anything."

"But, Mr. Schweik, I said 'almost.' They almost killed our Adolf."

"A word like almost, Mrs. Mullerova, is always a mistake. In the year '38, we almost went to war, but then we almost lost everything. . . . Already in the year '14, Austria almost beat Serbia and Germany almost beat France. At that time I happened to be with a company of the Service Corps and



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some fellow called Baloun from Cesky Krumlov was batman to Lt. Lukas; and he was always hungry, so hungry that he almost ate up his lieutenant. Well, and now you see, Lt. Lukas is still alive for he wasn't eaten at all. 'Almost' is always a mistake.

"Well, I'm now going to the pub, The Chalice, and if anyone comes to fetch the Scotch terrier for which I've been given a deposit, then tell them that he's in the dogs' home at Karané and that he can't be moved at the moment because they've just trimmed his ears and he might catch cold. I'll find one somewhere in the meantime. Give the key to the concierge."

At the Chalice, Schweik ran into the Gestapo agent, Brettschneider, who was constantly seeking to distinguish himself at any price and to make as many arrests as possible. Trying his best to draw Palivec, the owner, and Schweik into political discussion, he brought up the subject of the Munich attempt and declared:

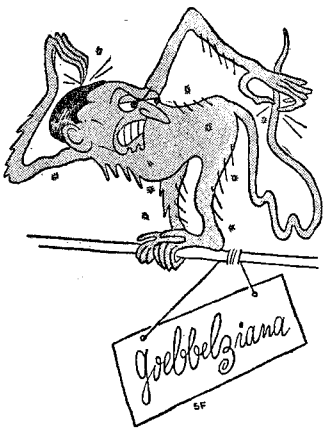
"You must admit that it would have been a great loss for the Reich and the Protectorate."

Instead of the host, it was Schweik who answered: "It would have been a loss, you can't deny that. A terrible loss. You can't replace that Hitler by any fool. That's why he arranged for those substitutes. But nothing is so good as the genuine article. It's like these new German food substitutes; they're nothing like the real thing."

"You have a curious way of talking," said Brettschneider meaningly. "You talk about the Fuehrer in the same breath as food substitutes."

"I didn't mean anything bad," Schweik defended himself. "Mr. Palivec knows me and can tell you that I never speak disrespectfully about anyone."

Nonetheless, this kind of talk resulted in Schweik being



taken to the Gestapo. The prisoners were for the most part brought in in special lorries, painted grey and covered with grey tarpaulins, under which were benches. . . .

It was the age in which the least civilized nation in Europe, which had temporarily secured a sufficiency of vehicles, tanks, aircraft, had manufactured sufficient uniforms, and invented sufficient diabolical lies, was able to subjugate the whole of Europe. Hitler, the motorized Attila, even motorized the process of taking people to prison. A hundred thousand of these lorries, which throughout Europe drove prisoners of all nations into the torture chambers of the Gestapo and into concentration camps, had been manufactured by German workers in the factories of the Auto Union and the B. M. W., and it often came about that German workers were taken off to concentration camps in a lorry which they had themselves manufactured.

Just like cattle, they, too, turned their heads to look at those who remained at liberty. Half-wits from the Bavarian Alps and cattle drovers from the marshes of Pomerania with Gestapo badges drove about in our country to fetch university professors, doctors, and mayors, just as if they were fetching cattle back to their enclosure. Hundreds of thousands of lads were doing nothing but that.

In this Gestapo prison, Schweik encountered a number of completely innocent prisoners who began to tell him about their misfortunes. Hitler had played a peculiar trick on the fourth prisoner. For days he had avoided any conversation about Hitler until in the evening at Prochazka's in Letna at the Sparta vs. Slavia football match he had described how Bican had scored the decisive goal and had said:

"It was a bomb, like the one in Munich."

He was in complete despair, tearing his hair and saying: "On March 15, when the Germans arrived here, I bought two whistles and whistled at the Germans in two keys as they marched down Prikopy and afterwards, when Hitler was at the Castle, the only reason that nothing happened was that I got to know too late. I copied the picture of Benes at the New York Exhibition a thousand times. I have cyclostyled 5,000 copies of Benes's letter and ten commandments. I possess every copy of the illegal newspaper *Boj* (both series). I strewed three boxes of nails in the German parking lot. I let off explosives near the Vltava on October 28—and they never caught me. And now they arrest me for a ridiculous thing like this, just because of Hitler."

Finally came the moment of questioning. Escorted by an SS man, Schweik walked along an underground corridor to a non-stop lift, which enabled him to bear his cross one floor higher, to the very summit of Golgotha. On the ground floor they entered room No. 82, in which was a large table containing rows of card indexes with registration cards in different colors. It was an alphabetical register of Prague suspects—i. e., practically the whole of Prague.

"Schweik, Josef," said the SS man laconically.

A long, dry Gestapo man

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with a face like a patched potato sack looked with gimlet eyes into Schweik's own innocent eyes; he then hunted in the card index for the card containing his name and gave it to the SS man. Schweik, with his companion, then traveled by lift to the second floor.

"Schweik," the SS man again said laconically, and handed the card to a Gestapo official sitting behind the table, who had a cold face with features of bestial cruelty, as if he had just come out of Lombroso's book "On Criminal Types."

Schweik, beaming with simple goodness, stepped forward and said: "I wish you all a good-evening, gentlemen."

Instead of answering, two youths who had stepped forward jabbed their elbows into his ribs from the back, as if they wished to bore a hole in him. Then three such young fellows came up to Schweik and fixed him with an unyielding and hypnotic gaze throughout the entire examination. The bestial-looking man cast a bloodthirsty glance at Schweik and said: "Don't look so silly."

"I can't help it," Schweik said earnestly. "I was dismissed from the army already under Austria on account of my stupidity. You see, I fought at the front beside the Germans from the Reich. A special commission declared me to be stupid. I am officially stupid."

"What you are accused of and what you have committed proves that you have all your wits about you," said the Gestapo official, and he now enumerated to Schweik a whole series of crimes, beginning with high treason and ending with insulting the Fuehrer, harmful behavior, and race disgrace. The most brilliant crime was that of approving of the attempt on Hitler's life, which gave rise to a whole new network of crimes, among which was particularly notable the crime of rebellion and sabotage, due to the fact that all this happened in a public place.

"And what do you say to that?" he concluded triumphantly.

"There's a lot of it," answered Schweik innocently; "too much of anything is harmful. In Kladno there was a—"

"Shut up," roared the Gestapo official. "Who do you go about with?"

"Only with my maid, your honor."

"And have you no other acquaintances, no one in local political circles?"

"Yes, I have, your honor, I buy the evening paper at the Mirovc Namesti from that newspaper seller who stutters, and out of friendship he lets me read the afternoon edition of the *Narodni Politika* as well."

"Go away," roared the man with the bestial appearance, who immediately corrected himself again, roaring in an even louder voice: *"Nein, zuruck!"*

In the second that elapsed between the two orders, however, Schweik had had time to turn round. And he had thus seen on the wall a picture of Hitler. Noticing this, he clicked his heels together and cried: "Gentlemen, long live the Fuehrer and Reich Chancellor Adolph Hitler!"

The matter was now completely clear. As a result of Schweik's spontaneous utterance a large number of questions became superfluous. The face of the gentleman who looked like a beast changed its expression from that of a harpooned whale to that of a drowsy village idiot. He said: "I think that is sufficient. The fellow really is a complete fool. *Kolossal.* You can take him away to the old place."

"Thank you kindly, gentlemen," Schweik remarked, "that is quite enough for me."

"Get out of here," roared the chief Gestapo official, hurling himself together with the others upon Schweik and kicking and punching him into the corridor into the grip of the SS man. The latter propelled him by the same means into the lift and back to the underground assembly.

The man with the bestial face later calmed down and wrote on Schweik's registration card the following memorandum:

"The Gestapo Dienststelle Prag, basing its judgment on the complete intellectual dullness and innate cretinism of Josef Schweik, the latter having expressed himself in the words: 'Long live the Fuehrer Chancellor Adolph Hitler,' which utterance suffices entirely to illuminate and explain the mental state of Josef Schweik as that of a notorious idiot, has had him removed to Pankrac Ordnungswegen."

Meanwhile Schweik was explaining to his fellow prisoners: "They didn't give a damn for Hitler, and they discussed even more stupid things with me. Finally, we told each other that that was enough and we parted. Now it's almost certain that it was me who committed the attempt on Hitler's life at Munich."

Schweik is innocent. From Petschek Palace, headquarters of the Gestapo, he is taken to Pankrac Prison. Is it a step toward freedom? Anyhow, the good soldier does not lose his courage. He is always ready with philosophical advice for his cellmates. Says he: "If everyone thought well of his neighbor, then there would be nobody to protect and we should have no Protectorate. And who knows what we should have at all. We might even still be having Bohemia beyond the White Mountain, or work instead of labor camps."

In his own special way Schweik is a saboteur of the "New Order." His weapon is humor—that humor which enrages the Nazis and calls forth official statements like the one by Robert Ley.

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BOOKS

Cause and Cure of War

A STUDY OF WAR, by Quincy Wright. Two volumes; 1552 *pages. University of Chicago Press;* $15.00

AT the moment when the greatest and most destructive of all wars is raging and when the problem of the prevention of future wars is one of the main preoccupations of humanity, no book could have been more welcome and more useful than Professor Quincy Wright's definitive study of war. No serious reading is easy, but this is the easiest, clearest, and most thorough-going presentation of one of the most difficult problems of history.

Such slogans as "You can't avoid wars," "War is in the nature of man," or "You need a strong America in order to keep war away from our shores," are as false as they are facile. Mr. Wright's great achievement is that he has taken the notion of war out of the fatalisic and mystic frame in which it has usually been placed and has explained that while there are original drives in man which make war possible, war has always come only because a certain number of appropriate social and political conditions for its outbreak exist. Once we have determined that war is not an unavoidable phenomenon, but that it can be prevented under given circumstances, it becomes a problem which must be solved, as any other problem facing society must be solved. In showing irrefutably that war can be prevented, Mr. Wright has accomplished a task of immense importance.

The author considers all the important aspects of human society in relation to his central theme. He divides the history of war into four very unequal stages—the era dominated by animals, the ages of primitive man and of civilized man, and the epoch of modern technology. The rise and decay of earlier civilizations and the immense transformations which have taken place in modern times are described. Privilege, authority, absolutism, and dogmatism have been replaced by new values—humanism, liberalism, pragmatism, and relativism. The latter remain, despite many regressions, the essential tendencies of our civilization.

In his examination of the various forms of nationalism, Mr. Wright courageously sets forth two important truths.

First: "Nationalism at the period of its most intense development has seemed least able to function for the benefit of the people." He shows that nations have been unable to create either the perfect community or the maximum prosperity theoretically possible in view of the immense progress in economic technique. From an economic point of view, modern states have become "obsolete as the feudal principalities in the late Middle Ages." Nationalism has functioned successfully for over a century, but it has now reached a stage in which it is incompatible with a world economy, and if it is maintained in its present form it may have the gravest consequences in diminished populations and in low standards of living.

Second: Even a liberal nationalism will be constantly endangered by organized propaganda creating fear of other nations, contempt for them, hostility toward them, and isolation from them. The author thinks, therefore, that it will be necessary to pass from the stage of national governments, acting individually, to an international organization which will insure national security by law, but which will also have to divert part of the individual's loyalty from the nation to humanity. As long as power equilibrium exists, there will always be a conflict between national power and international justice.

War cannot be prevented, in the author's opinion, by a single act; it "involves simultaneous general and concerted attacks on educational, social, political, and legal fronts." Professor Wright warns that over-all policies directed toward military balance of power, toward political and economic isolation, or toward conquest of all by one, present no promise of stability and peace; such policies are more likely to bring about war than to prevent it.

In his contention that peace cannot be approached directly but is in the final analysis a by-product of a satisfactory organization of the world, Professor Wright is infinitely superior to

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many surveyors of the future who want immediate ideal solutions without taking into account existing difficulties. He is likewise superior to the so-called realists who, because of those difficulties, would hesitate to take whatever measures are necessary for world organization. Mr. Wright's thinking is strictly scientific, and if this reviewer had not for many years known his beliefs in democracy and world organization, he would almost have assumed that all the conclusions which the author has reached were the result of this splendid historical investigation. To find liberal views based solidly upon scientific foundations is an encouraging discovery and a precious weapon for those who fight for a free world.

However, it is the reviewer's privilege to contest the opinions of even so brilliant an author as Mr. Wright and I do so in respect to his analysis of socialism. In his definition of the socialist economy lies one of the rare weaknesses of his book. Socialism as a political factor has played and will play too big a part in the history of the world to be put aside with a few hasty remarks. Maybe the sources used by the author are responsible for his not having gone more deeply into this subject. The divergence between this reviewer and the author is caused by the latter's identification of various partial measures or utopian socialist attempts with the scientific conception of socialism. In reality, to date we have had no example of a society in which the necessary conditions for the establishment of socialism and for a judgment of its operation have existed. Even Russia is not an example because the experiment started in an agrarian country which had to be completely transformed and up to now has functioned only in an inter-war period where most of the efforts were directed toward the creation of a strong military power—which, by the way, is proving itself more capable of resisting aggression than some established nonsocialist states. Experiments in Scandinavia, where social-democratic governments have been in power for many years, though only partial experiments, have worked very well and are far from breaking down "into feudalism or evolving into capitalism."

The time spent by Professor Wright since 1926, in organizing, directing, and writing this study was time given to the service of humanity. His two volumes are one of the really great contributions to science. We are naturally proud that in a free country a free author can complete such a work during one of the most difficult periods of history . . . and this is no accident. During that same period, in the fascist countries, apart from technical sciences, no progress has been made; indeed no over-all view of history such as this one is possible. Dr. Wright's "Study of War" is a fine synthesis of scientific research and humanistic ideals. It is also the happiest possible synthesis of the work of a man who has found the time to take active part in influencing public opinion in favor of the ideals of democracy and world organization, and at the same moment to write this great book.

This reviewer hopes—and if it were in his power, he would so order—that Professor Wright's great work will become compulsory reading at least for all statesmen of the United Nations, for the members of the various existing agencies and boards, and for those who will be entrusted with the provisional administration of many territories, as a necessary preparation for the historic task of world organization. But he hopes also that it will come into the hands of the people, and that the common man will, in these two volumes, begin to master the science of history and of world organization, because it is, in the end, his fate which is at stake.

LOUIS DOLIVET.

Lucid Finance

FISCAL PLANNING FOR TOTAL WAR, by William Leonard Crum, John F. Fenelly, and Lawrence Howard Seltzer. xxv+358 *pages. National Bureau of Economic Research;* $3.00

THERE are probably no last words in the social sciences, and certainly not in matters of current policy, but this book is as sound and useful an analysis of the problems of wartime fiscal policy in the United States as we are likely to get during this war. Here are lucid, compact statements of the main problems to be faced in financing the war, and of the effectiveness and implications of the chief devices we can use to solve these problems.

Six chapters are devoted to describing the goals of wartime fiscal policy, the process of the production and distribution of wealth and income on which it must operate, the relation of financial measures to direct controls like rationing and price control, and the most desirable combinations of taxation and borrowing. The authors then turn to a detailed examination of the various kinds of taxes and their possible usefulness in terms both of the revenue they produce and their effect on our wartime economy as a whole, and in particular on the central problem of inflation. Their comment on how inflation comes is apposite: "In the light of the oft demonstrated evils of inflation, the

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reader may well ask why sane men ever embark upon a course of action that brings it about. The answer is that inflation is rarely chosen as a deliberate policy. It is rather the result of ignorance, drift, practical obstacles to alternative courses, and political weakness."

The authors acted as a committee directing the work of a special research staff and drawing on the excellent statistical facilities of the National Bureau of Economic Research. They have had the advice of an impressive list of economists representing many schools of thought. No doubt most of those consulted have reservations about one statement or another in the book, but it seems likely that the product as a whole demonstrates a high degree of agreement among experts. If this is a correct analysis, it is a most hopeful sign for the future contributions scholars can make to specific problems of public policy.

The authors do not prescribe a wartime fiscal policy for the United States nor do they argue for certain kinds of taxes and against others. In their view, "even with the fullest use of what statistical and economic analysis can teach, the formulation of financial policy must be worked out in the light of certain other limitations." The chief limitations are the natural resistances of people to taxation (whether based on simple self-interest or on larger ideas of equity) and the political forces they engender. In a democracy, the resulting conflicts can be resolved only by the political process, not by experts. As their contribution to the determination of policy, the authors clearly and cogently analyze the probable effects of various sorts of taxation and borrowing on the people who will bear the burdens and on the economy as a whole. They make it clear that no single measure will suffice to give us a sound financial policy for the war and that the effectiveness of any particular measure depends in large part on the rest of our policy and especially on our whole tax structure. There are no striking, new proposals in the book but it is an authoritative study of what needs to be done and how we can try to do it: the results are not guaranteed.

This is not a book for general reading but it is not too technical for the well-known "intelligent layman" who is interested in the subject. The authors write clearly and take very little for granted. If authors and editors would examine what they propose to say—and what their opponents have said—with reference to this book, our current public discussion of what to do next might be smaller in volume but it would be easier to read and immensely more helpful.

WILLIAM DIEBOLD, JR.

Friendly Criticism

A LATIN AMERICAN SPEAKS, by Luis Quintanilla, viii+268 *pages. Macmillan;* $2.50

PAN-AMERICANISM has had a curious history. All Americans, that is, all North Americans, believe in it, but they are conscious of the fact that, despite the Pan-American Union and the series of conferences, and the efforts to make the Good Neighbor policy a fixed principle of American diplomacy, there is still something synthetic, something unreal about the whole business. We have felt that the Latin Americans have misunderstood our intentions, that culturally as well as geographically the Americas are so far apart that we have not yet succeeded in bringing the gap between us, and that somewhere something is wrong. One difficulty is obvious: We have read travel books and we have seen motion pictures about our neighbors to the south, but we have never, as a people, developed any sense of genuine solidarity with them. We have never felt that our destiny is inextricably bound up with the destiny of our Latin neighbors.

This is the problem which Dr. Quintanilla, until recently the Counselor of the Mexican Embassy in Washington, has attacked in a book which comes at an opportune time in the development of inter-American relations. The author knows this country well, and he has put on paper an excellent, unbiased analysis of the feelings and attitudes of the two Americas toward each other. He feels that the essential course of development in the two parts of the Hemisphere has been more nearly the same than most people realize, and he believes that a greater sense of this common development will lead us to accept the conviction that we have a common destiny which is of importance to the world.

Having secured freedom from foreign controls in the same way and having developed a longing for an organization of peace among ourselves, we must now, as a united continent, play a part in the shaping of future world organization. As a profound believer in the principle of regional organization, the author suggests that the world might be organized in the following fashion: The American Republics could organize a "Permanent Committee of the United Nations of America," and similar regional organizations could be set up in Europe, Asia, and Africa. Periodically, these four regional committees could send delegations to a General Assembly of the United Nations of the World at Geneva.

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With all due respect to the undeniable importance of the regional principle in world organization, this reviewer views such a plan with considerable skepticism, especially when it is thrown into a discussion without analysis and elaboration. Since the emancipation of colonial areas is not likely to be a development of the near future, of what would the African regional council consist? Another problem is this: Unless the world organization is sufficiently strong to undertake the handling of major security problems, the regional would not suffice for the protection of this Hemisphere vis-à-vis possible development in Europe. If the world organization is to be strong, does the need for a regional organization disappear? These and many other questions need to be dealt with before one can pass a final judgment on the proposition which Dr. Quintanilla has raised.

This particular objection applies only to one small part of a useful book. The style is fresh and engaging, and, though some of the material represents little more than a threshing of old straw, the general synthesis is sound. We need more such friendly critics from our neighboring countries to the south.

G. K.

Repulsive Hitler

HITLER, MAN OF STRIFE, by Ludwig Wagner. 331 pages. Norton; $3.50

SINCE Konrad Heiden's monumental biography of Adolf Hitler, no biographical work of any significance has appeared. Most authors probably had the feeling that Heiden had said what was to be said. Ludwig Wagner, an Austrian journalist, has nevertheless succeeded in writing an eminently readable book. Some new material, particularly on Hitler's youth, has been added, which contributes, I suppose, to make Hitler's frustration more understandable in terms of modern psychology. At the other end of Hitler's career, the author has devoted a considerable part of his book to the events since 1933, bringing his story up to July, 1942.

Thus, Part III of the book deals exclusively with the period which began with the Munich Conference and ends, for the time being, on the frozen battlefields of Russia. Some parts of this story are told with extreme simplicity and captivating intensity. No doubt, to the professional historian, much of Mr. Wagner's historiography will be oversimplified, but the general reader will welcome the surgical operation that reduced the process to its most elementary form. Still, the scanty treatment of the Spanish Civil War is hardly justified in view of its significance

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ALBERT RHYS WILLIAMS

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as a military and diplomatic testing ground for the German dictator.

Mr. Wagner has a great deal to offer that gives the reader more insight into the forces that motivate the strange and eccentric personality who is master of Germans, even unto life and death. The description of the Waldviertel, the Austrian district where Hitler was born, is a little masterpiece of journalism, though I venture to think that it suffered somewhat from the pen of the translator. Another well-written part shows Hitler's dealings with his own lieutenants and presents him as a master of that game of intrigue which replaces in totalitarian dictatorships what is a large part of politics in democratic systems. Hitler's deranged personality is the guide which the author uses with great effectiveness on his way through the chaos of the last decade. Many readers, though perhaps not satisfied with a study that throws little light on the great problem of nazism itself, will welcome this history of the strange and repulsive figure at the head of the most bewildering phenomenon of our time.

ADOLF F. STURMTHAL.

Facts About Russia

DUEL FOR EUROPE: STALIN VERSUS HITLER, by John Scott. ix+381 *pages. Houghton Mifflin;* $3.50

The chief value of this very readable book by the former London *News Chronicle* correspondent at Moscow lies in the interesting story it has to tell on internal conditions in Russia between the time of the Munich Pact and the nazi invasion of the Soviet Union. In this respect it fills several gaps in our knowledge of Russian developmens during those years.

A detailed account of the Sovietization of the Baltic countries deserves particular attenion. The gradual incorporaion of Estonia, Latvia, and Lithuania into the Soviet Union was accomplished so skillfully by the Russians that Mr. Scott is "convinced that most of the common people in the Baltic countries were not displeased with what had happened to them."

The author also throws light on the reaction of the Russian people to the disastrous Finnish campaign of 1939-40. Although the war was fought in a remote corner of the vast Soviet Union, the military reverses gravely affected the morale of the entire country. Industrial and transport breakdowns caused considerable disorganization as far east as the Caspian Sea. "There were no strikes. The Russians went to work in the morning, they stayed at work all day, yet somehow not as much got done. The Russian people have a genius for this method of expressing their dissatisfaction or irritation with something."

The reorganization of the Red Army and Soviet industry, made necessary by the bitter experience of the Finnish venture and the growing threat of a German attack, is likewise reported with an abundance of new factual material. Some forty official documents, gathered in an appendix, corroborate the various accounts.

ANDREAS DORPALEN.

WHAT ABOUT GERMANY, by Louis P. Lochner. xiv + 395 *pages, Dodd, Mead;* $3.00

Among the numerous accounts of Germany few have been able to convey as complete and realistic a picture of the development of nazism, its terror, and the existing Underground movement as this analysis by the former chief of the Associated Press in Berlin. For twenty years correspondent in Germany, Mr. Lochner is especially well qualified to trace the advent and progress of Hitlerism. He witnessed how Germany was prepared for nazism, and how the Republican Government allowed Hitler to destroy it. He was clever enough to obtain "inside" information and wise enough to profit by "the lessons learned from the enemy."

The question of whether there is another Germany is answered in the affirmative by Mr. Lochner. "It is a Germany which is submerged and inarticulate at present because every possibility of public utterance has been taken from it. It is a Germany which prays for deliverance from the nazi yoke as fervently as any member of the United Nations can pray for the end of Hitler and his system. It is a Germany which still cherishes normal, civilized ideals of equal and humane justice for all; of honesty and truthfulness in human relations."

MODERN WORLD POLITICS, edited by Thorsten V. Kalijarvi, xiii + 843 *pages. Crowell; trade edition,* $5.00

Eighteen authors under the editorship of Professor Kalijarvi of the University of New Hampshire have collaborated in the preparation of a new college textbook on world politics. As is frequently true in such a joint effort, the book suffers badly from a lack of coherent organization, and the quality of the chapters varies greatly. Some, such as those contributed by Thomas Peardon and Harry Howard, are in the best traditions of academic scholarship; others fail dismally to live up to this standard. One of the key chapters, "From the First World War to the Second World War," is incredibly bad; had the editor but summoned his courage and

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refused to print it, the level of the book would have been much improved. Aside from this one glaring lapse from scholarship, the chief defect of the book for college purposes lies in its superficial treatment of so many of the fundamental forces which help to determine national foreign policies.

THE RED ARMY, by Michel Berchin and Eliahu Ben-Horin. 277 *pages. Norton;* $3.00

This book, written by two journalists of Russian birth, is an excellent description of the organization and history of the massive Soviet fighting force which has recently celebrated its twenty-fifth birthday. In addition to the historical and organizational chapters, the authors have provided a running account of Soviet foreign policy which leans to the cautious side but which is, nonetheless, a useful condensation. Certain conclusions have been outmoded by the fast-moving events which have occurred since the book was published, but that is the fate of all such "contemporary" studies. There are many good illustrations of Russian troops and equipment.

MEN BEHIND THE WAR, by Johannes Steel. 447 *pages. Sheridan;* $3.50

Johannes Steel has achieved capsule biography. Into a lively style he has packed a wealth of information and a great deal of sound perception. He has both a sense of news and a sense of importance. These qualities have enabled him to select from the thousands of names which crowd upon our consciousness as they find place in the headlines those that are really vital in waging this war. He not merely acknowledges the importance of a Cripps or Laval, but he recognizes the significance of Tom Wintringham and Axel Wenner-Gren. An astute introduction to the volume serves as a suitable frame for these portraits effectively merging them with the background of the war.

ALL NIGHT LONG, by Erskine Caldwell. 283 *pages. Duell;* $2.50

In proclaiming this book a novel, neither the author nor his publisher has done it a good turn. The label merely emphasizes that the characters and incidents are fictitious; it cannot possibly make fiction out of a bald and unconvincing narrative supposedly depicting Russian guerrilla warfare. Exaggeration defeats its own purpose. The manner in which Mr. Caldwell's hero and a half-dozen partisans circumvent and slaughter the Germans is so preposterous that doubt is cast on something about which there can be no doubt, the cruelty and bestiality of the nazi invaders.

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A Check List of Forthcoming Books on International Affairs

IS GERMANY INCURABLE?, by Richard M. Brickner. Lippincott. A diagnosis of the illness of Germany from the vantage point of an eminent practicing neuropsychiatrist who offers a plan for dealing with Germany after the war.

THE BATTLE FOR BUENOS AIRES, by Sax Bradford. Harcourt. The story of the polyglot world of modern Buenos Aires and the battle now raging between the forces of fascism and democacy. The strategy that the United States must employ to win the battle for democracy in the key city of Latin America.

IS CHINA A DEMOCRACY? by Creighton Lacy. Day. A history of China showing the basis for calling China a democracy today, disclosing her role in the war of the Democracies against the Fascists.

FREE MEN OF AMERICA, by Ezequiel Padilla. Alliance. Senor Padilla, Minister of Foreign Affairs of Mexico, aims at one thing: the building of an indissoluble unity of the Americas, that the United States, Brazil, and Mexico in unity become a mighty force in the post-war world.

THE INSIDE STORY OF THE WAR, by Pierre Lazareff and Waverly Root. Scribner. A series of behind-the-scene stories of the shifting fronts; the Fifth Column preparations; the offensives, military, diplomatic, and economic; secret organizations and resistance in the invaded countries; the shape of coming events.

NOW IS THE MOMENT, by Harold Rugg. Duell. A survey of the American scene, its promise of things to come as unfolded by her artists, engineers, poets, architects, technicians, planners, educators. What creative Americans are doing to reshape a new life despite the tragic outlook of the present.

DON'T BLAME THE GENERALS, by Alan Moorehead. Harper. The war correspondent of the *London Daily News* reports on the winter campaign in the African desert in 1941-42 and on the Cripps mission to India. The weaknesses and mistakes that almost led to Allied disaster in the Middle East and India.

THE SPANISH LABYRINTH, by Gerald Brenan. Macmillan. An account of the background of events leading up to the Spanish Civil War as a prelude to the present conflict.

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WHO'S WHO IN THIS ISSUE

Progress of the Struggle will be a regular feature of FREE WORLD in which *SIR NORMAN ANGELL* will discuss the noteworthy events of each month. *SIR NORMAN* is author of the current best-seller and Book of the Month Club selection, "Let the People Know." In 1933, *SIR NORMAN* received the Nobel Peace Prize for his book, "The Great Illusion." He is a member of our International Editorial Board and has been a participant in several FREE WORLD Round Tables. His article in our November issue, *A Free World of Prisons,* an illuminating and frank discussion of the problem of refugees and immigration, has received wide notice.

ANTONIN BASCH, member of the Department of Economics of Columbia University, is the author of "The New Economic Warfare." He was formerly in charge of research for the Czechoslovak National Bank and Czechoslovak representative in the Bank for International Settlements.

It was natural that *HENRI BONNET* should be called upon to express our sense of loss and sorrow in the death of Professor Henri Focillon. For many years Mr. *BONNET* collaborated with this truly great man whose passing deprives the Free World Association of one of its founders. Professor Focillon was a valued member of our International Honorary Board. His articles were among the most notable contributions to the pages of FREE WORLD.

EMIL BURE was Chief of the Cabinet under Aristide Briand, and for many years editor of *L' Ordre.* Although he was always conservative in national politics, he fought with conspicuous courage against fascism and advocated cooperation between the Democracies and Soviet Russia against aggression. The shock of the fall of France led to a nervous breakdown, from which he has now recovered, and he is continuing his fight against the Axis in this country. He is now editor-in-chief of *La Voix de France,* the newspaper of the Fighting French in the United States.

WILLIAM DIEBOLD JR. is on the Research Staff of the Council on Foreign Relations and is author of "New Directions in Our Trade Policy," as well as articles in *Foreign Affairs* and the *American Economic Review.*

ANDREAS DORPALEN, who contributed *The Language Question in Europe* in our May issue, is on the staff of the Columbia Encyclopedia. He is the author of "The World of General Haushofer," a study of geopolitics.

LE GARDE S. DOUGHTY contributes this month his third poem in FREE WORLD. *Flower of Fire* appeared in the May issue and *Sowing, Early Winter* in January. The author is working on a first novel and teaching the handling of ordnance in a Government Depot.

PIERRE DUPONT is the pen name of a refugee whose relatives may be even more severely persecuted than they are if Vichy learns that he is active in the Underground movement.

Plans for the Future, our regular section covering important proposals for post-war organization and reconstruction, was installed in the August issue and opened with a report on the Commission to Study the Organization of Peace. This month, we present in this section an account of the recently published third report of that organization written for FREE WORLD by the National Director of the Commission, *CLARK M. EICHELBERGER.* He is also Director of the League of Nations Association and editor of *Changing World.* In the first number of FREE WORLD he contributed *Of Polls and Politics;* in later numbers appeared *Britain's Deep Forces* and *May—Month for the United Nations.*

Problems of food, farms, and science in relation to the global war have been the topics of previous articles in FREE WORLD by *T. SWANN HARDING.* Mr. *HARDING* has been a member of the Department of Agriculture since 1910, but he naturally voices his personal opinions rather than official views in his frequent contributions to magazines and newspapers.

HANS HEYMANN, Professor of Economics at Rutgers University, is the author of "Property-Life Insurance," "Plan for Permanent Peace," and, most recently, "And Justice for All." Under the Weimar Republic, he acted as economics adviser to the German Foreign Office. He has recently prepared an extended version of a plan of a Bank of Nations which he drew up originally at the request of Dr. Walther Rathenau, for the Conference of Genoa in 1922.

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The challenge to the principles of FREE WORLD expressed in the article of the *HONORABLE ROBERT P. SKINNER* was immediately accepted by *WALTER MILLIS,* member of our International Editorial Board. The result was the debate on realism in international cooperation. The work of Mr. *MILLIS* is familiar to readers of our pages. He is the author of "The Martial Spirit," "The Road to War," and "Why Europe Fights." Last but not least, he is editorial and staff writer on the New York *Herald Tribune.*

Mr. *SKINNER* writes from a lifetime of experience in the diplomatic service of the United States which began when he was appointed Consul at Marseille in 1897 and ended when he retired from his duties as Ambassador to Turkey in 1936. He also held posts in Germany, England, Greece, Latvia, Estonia, and Lithuania. Among the special tasks of his career were his appointment as commissioner plenipotentiary to establish relations and to negotiate a treaty between the United States and Ethiopia in 1903; his work on the adjustment of claims of the creditors of the Republic of Liberia in 1912; and the drafting of the Rogers Bill, which developed into the Act of 1924. He is the author of "Abyssinia of Today."

The work of *VICTOR DE PAUW,* who pictures the bombed cities of two continents in this issue, appears regularly in FREE WORLD, *New Yorker,* and other magazines. He is a California-trained painter and has exhibited in galleries all over this country.

JOHN H. G. PIERSON, Chief of the Post-War Division of the Bureau of Labor Statistics, gives his personal, unofficial view of the chances for free enterprise after the war. Formerly instructor in economics at Yale, he was Associate Director of the Institute for Applied Social Analysis from 1939 to 1940. He is author of "Full Employment," published in 1941.

The Peruvian "incident" narrated by *HARRIET SHANKS PLATT* occurred on the most recent of many trips to South America which the author made as part of a program of geographical field expeditions from the Andes to the Amazon. In this country she has lectured on Latin America at the University of Chicago and has been president of the Pan-American Council of Chicago.

One of the outstanding thinkers of our time, *BERTRAND RUSSELL,* like the great philosophers of old, has made his contribution to many fields of knowledge. He has written on such diverse themes as "The Principles of Mathematics," "Problems of China" and "Power: a New Social Analysis." But Mr. Russell's great fame rests on his writings in the field of social philosophy. Among his best known books are "The Prospects of Individual Civilization," "Which Way to Peace?" and "Proposed Roads to Freedom." In January, we published *The International Significance of the Indian Problem,* which he wrote jointly with his wife, Patricia Russell, his collaborator in most of his non-philosophical work since 1937.

ADOLF F. STURMTHAL was active in the socialist and international labor movement before coming to this country. He is now Director of the Institute of Economic Education at Bard College. His book, "The Tragedy of European Labor," has just been published.

The artist who signs himself *TOM* to safeguard relatives in Germany received his training at the Academy for Graphic Arts in Leipzig. In the period between World Wars I and II he illustrated Shakespeare, Euripides, Pushkin, Kleist, and the works of other authors. His drawings also appeared in such magazines as *Simplicissimus* and *Querschnitt Nebelspalter.* Since Hitler forced him to leave Germany, he has been living in New York and illustrating books and magazines.

Dwellers on Bear Mountain were suddenly thrilled to discover in their midst the most sought-after visitor of the year when Madame Chiang Kai-shek arrived at the lodge of Dr. *LI YU YING,* Chairman of our Board of Directors and one of the founders and leaders of the Free World movement. Dr. *LI YU YING* has sought the quiet of the mountain to work on a new world encyclopedia, and in the year he has lived there many came to consult this venerable philosopher, but none so notable as the First Lady of China, who discussed with him the problems of their country and of mankind.

The FREE WORLD radio program is gaining fresh laurels with each presentation of the Underground Reporter, which takes place every Tuesday evening at 8:03 over WMCA. Now, recordings of these programs which present in dramatic form the activities described in our pages are available to smaller stations. FREE WORLD readers outside of New York will find it worthwhile to request their local radio stations to obtain these records for rebroadcasting.

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